

VACANT FEDERAL PROPERTIES

HEARING

BEFORE THE

SUBCOMMITTEE ON
TRANSPORTATION AND PUBLIC ASSETS

OF THE

COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES

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VACANT FEDERAL PROPERTIES

Friday, September 23, 2016

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC
ASSETS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:17 a.m., in Room 2154, Rayburn House Office Building, Hon. John L. Mica [chairman of the subcommittee] presiding.

Present: Representatives Mica, Massie, Grothman, and DeSaulnier.

Mr. MICA. Good morning. Thank you for being with us.

I call the hearing of the Committee on Oversight and Government Reform Subcommittee on Transportation and Public Assets hearing to order this morning. I'm Congressman John Mica. I'm pleased to welcome you.

And, without objection, the chair is authorized to declare a recess at any time.

We'll of course let you know that the House did adjourn last night, so we have a limited number of members. But I chose, rather than to delay the hearing, to go forward, and I think we can have a very constructive exchange with the witnesses that are here and the members that will be able to attend. Some will come and go because there are other hearings scheduled today, even with the House in recess.

I want to also state that the order of business will be opening statements from members, I will start with mine, we'll recognize someone from the ranking side, and other members. We'll also leave the record open for 5 legislative days for any member who'd like to submit a written statement. And we'll also have the opportunity to submit to witnesses questions, which will be made part of the record.

The additional order of business will be then hearing from all of our four witnesses, and after we've heard from our witnesses we will go to questioning. So that's the order in which we'll proceed today.

And, again, I welcome everyone.

The title of today's hearing deals with "Vacant Federal Properties," and that's been the subject of a lot of my interest since coming to Congress. I'm a former smaller-time real estate developer in business. And when I came to Washington, I saw the opportunity to work with the Federal Government and its various agencies, because the Federal Government and the American public are

actually the largest property owners of anyone in the world. And part of our basic tenets as Americans is private property ownership, and, as a government, we have to be good custodians of the property and assets that we hold in trust.

The purpose of today's hearing, of course, is that we still have, even with some past efforts, a huge inventory of property, Federal property. Some of it we don't even know the complete inventory. And we have thousands of buildings, not under GSA—and we'll hear from them and also USDA today—but we have many, many agencies—DOD, post office. We have countless numbers of vacant Federal properties or underutilized properties and buildings.

It's estimated that the inventory of some 270,000 buildings had total operating costs exceeding \$18.7 billion. And agencies reported an inventory of over 7,000 underutilized buildings and properties. I think that's, though, just the tip of the iceberg; it's even further than that.

About 6 years ago now, I helped produce a report looking at this issue, and the title of the report is the Federal Government must stop sitting on its assets, or "Sitting on Our Assets: The Federal Government's Misuse of Taxpayer-Owned Assets." And, in the report, which I helped to publish as the ranking member of the Transportation Committee—and they have authority over some of the public assets and buildings—we actually highlighted a number of properties that were vacant. We'll talk a little bit about some of those.

In that capacity, I also held a number of hearings, along with Mr. Denham. And he helped me, as the chairman of the Subcommittee on Public Buildings—Economic Development, Public Buildings, and Emergency Management was the title. And we held hearings in different locations to highlight, again, some of the issues that we faced with specific properties.

On the 25th of April, 2013, I held a hearing as the chairman of the Government Operations Subcommittee of this full committee, and we held that down the street in an empty warehouse located at 49 L Street, Southeast, in Washington, D.C. There's a picture of that on the screen.

At that hearing, the GSA official who testified is Mr. Gelber, who is here again today, and he told the committee, from his testimony, "Given the high real estate value and rate of growth of the surrounding Capitol Riverfront neighborhood, the 49 L Street property presents us with many potential opportunities to find a better use." That's his quote at that hearing.

Unfortunately, I'm disappointed to say that GSA did not declare the property excess until 2015, and, unfortunately, the warehouse, we found, is still vacant to this day. So, while we've made some progress, that's not one of our stellar examples.

The Cotton Exchange, which is down the street, a huge swath of property that goes from the Mall all the way out to 395, that very valuable property, just the Cotton Exchange, we held a hearing there in the vacant building, which has been vacant for years, and some of the adjacent property. That property we finally got, I think last year, some decision to move forward, and I'm pleased to hear that, but we have one of the most valuable assets in property in our Nation's capital still vacant.

You may hear some of this from GSA, but we have had some successes and better luck in getting the Federal Government to act on some other buildings.

Let me say, when I started this, I looked a lot at Washington, D.C., our Nation's capital, but I also looked—several years ago, we took a subcommittee down to NASA, to Cape Canaveral, which is in my own backyard. I'm in central Florida. We held a hearing there. And there are hundreds of buildings, about half of them vacant—177,000 acres, five times the size of Manhattan, much of it underutilized. The space program, which has been diminished as far as Federal participation, a lot of those assets sitting idle, buildings sitting empty.

I will report, that 177,000 acres, and next to it 16,000 acres, which is owned by the Air Force, just adjacent to it, we are struggling but we are making some progress with either finding uses for the build, tearing some of them down that are expensive to maintain, or looking at additional ways we can utilize those valuable assets for the taxpayers. So that's a little bit of good news on that side.

In June, I held a hearing—of 2012, I held a hearing in the Heating Plant in Georgetown, which had been vacant since 2000, costing taxpayers millions of dollars to maintain, empty over more than a decade in 2013. In fact, when we arrived to conduct the hearing in the empty building, there was a “for sale” sign that had been put up on the top floor of the building. We asked the witnesses from GSA at the time when they started their marketing plan, and they had told us “yesterday,” which was the day before the hearing, they put the sign up.

So that did go online; that sold to developers for \$19 million. And I'm told that property has plans now from the private sector to create a substantial development which will employ people and utilize the property and also pay taxes.

In March 2013, we held a field hearing in—well, actually, I held one in the empty Dyer Courthouse, which actually had been vacant since 2007 when they opened the adjacent new Federal courthouse. After that hearing—and it was costing us \$1.2 million a year to maintain vacant—I was contacted by the president of Miami-Dade Community College, which is across the street. It's like from Rayburn to Longworth buildings, that distance. He had said he had contacted GSA and attempted to find some information on how they could obtain that and use it for classrooms and a judicial center.

Nothing happened, so I went down and we held another hearing at the community college to highlight the empty building. That goes back, again, a number of years. And I'm pleased to say that just within the last few months, actually in May, we completed a negotiation. We've transferred over the property to Miami-Dade. It will be the center of judicial studies and architecture.

It's a historic, beautiful building in the center of downtown Miami. There's a picture of it there. It has a coquina, which is very rare stone, facade. But a magnificent building that we let go into some disrepair will now have a use. But it sat vacant for many, many, many years, costing millions and millions.

Another success story that we've had and also highlighted—the last two were highlighted here in this “Sitting on Our Assets”—is the Old Post Office. And we conducted a hearing. It was 32 degrees outside. And in the vacant 15,000-square-foot annex behind the post office, we conducted a hearing in 38-degree weather. Made a few of the bureaucrats and our staff shiver. But, also, we were losing up to \$6 million a year.

The Old Post Office main structure was built in the late 1800s, and it had 400,000 square feet—a magnificent structure just two blocks from the White House. And of the 400,000 square feet, half of it was empty. And we were losing between \$6 million and \$8 million a year on that project. Last week, they had the soft opening, and they will open, I think, next month. I'm going next week to view it. It is now the Trump Hotel.

There was a—actually, we went down a year later and held a second hearing in the annex again, which will now be the largest ballroom, I'm told—I'm sorry, banquet room east of the Mississippi River. The project will employ hundreds and hundreds of people, millions in tax revenue and, actually, revenue to the Federal Government, rather than losses. An incredible example.

GSA came and testified earlier that the project was ahead of schedule and under budget. So we can take properties like that and turn them around for the taxpayer and make a big difference.

Finally today, we've invited the Department of Agriculture to our hearing. They'll tell us they're good about disposing some of their excess property, but, unfortunately, some of the data they provided us shows that their annual operating costs for building uses has increased 95 percent from fiscal year 2014 to 2015. And they were unable to provide us with an explanation. We'd like to hear that today.

USDA also holds on to poorly utilized properties in prime real estate locations. We have—we can put up the map. One of the biggest properties that USDA has is the Agricultural Research Center in Maryland, just not too many miles from here, and they have 6,500 acres. I think that—we pointed out that's the size of the city of Key West.

One of the most valuable pieces of real estate in the Capital Beltway area, of which—and just a few minutes ago staff handed me—if we can find the figures. There are only 113 utilized buildings on the property, a total of 379 vacant properties. So that's not a very good record.

Some of those are small structures. I've been out there. There are some chicken coops and pigpens and other things that were used years ago. There are also office buildings that are vacant, with the windows broken out and vines growing over them. It's not a pretty sight. It's not the way we should handle a valuable public asset.

So we'll look at the Beltsville Agricultural Research Center. We have 200 of these research centers, some that date back, I believe, to the 1820s, across the country—that's just one example—who had a different role than they have today. And while the Department of Agriculture serves a good purpose, we need to revisit the vacant properties and valuable assets that they hold, maybe don't maintain well.

With that, I'd recognize any other members for opening statements.

Mr. Grothman?

Mr. GROTHMAN. Yeah, I'd just like to thank the subcommittee chair for holding this hearing. And I hope, at the end, we do something about expediting the disposal of this excess property. I mean, obviously, it's not just a matter of the Federal Government is broke and we could make some money if we sold some of this property, but even maintaining the property is wildly expensive.

I know back in Wisconsin we have a local governmental authority that's been owning all sorts of excess property, and very frustrating because it's just a waste of taxpayers' money. And I hope, by the time we're done, maybe not this session but early next session, we can flip this stuff around and clear it out.

Mr. MICA. Will the gentleman yield?

I'll also say that, working with both Chairman Chaffetz, who had a bill previously, Mr. Denham from California, who chaired the Public Buildings Subcommittee, and others, there is legislation pending that would not only require an inventory but an accounting and then action, an evaluation of the property and then action—-independent evaluation, then action to make certain that we use to the maximum the value of those assets.

So Mr. Denham isn't here, but I'd like to—maybe you could request a copy of his legislation, and Mr. Chaffetz, be put in the record at this point.

Mr. GROTHMAN. I'll request them.

Mr. MICA. So ordered.

Mr. MICA. At least we'll have that in the record. Thank you, Mr. Vice Chairman.

Mr. Massie?

Mr. MASSIE. Yes. My interest in this is because we just recently received some really devastating news, that the IRS plans to move 2,000 jobs out of the biggest city in our district. And, you know, we've got 3 years to react to that. Hopefully, the IRS would find some other use for the facility, because they don't intend to reduce the number of employees overall.

But I have this dread that I'm going to be here in 3 years if—for instance, if the IRS doesn't find another use for the facility, my concern is that we would add insult to injury, because this sprawling, single-story structure that's right in the middle of our downtown, in some of the most valuable real estate, might get tied up indefinitely. And that really would add insult to injury.

So I'm trying to work forward to that point when the IRS—hopefully they stay, hopefully they find another use for this facility. But if they don't, what we need to make sure of is it doesn't end up like some of this real estate that Chairman Mica has identified in Florida and here in Washington, D.C.

So I want to thank the chairman for looking into this. I think it's a great topic. And I want to thank the witnesses for being here today to help us figure out how, when government does change—sometimes it doesn't change fast enough, but when it does change and it finds out how to operate more efficiently, that we make sure that we don't tie up these properties and keep them from the private sector, keep them from some other higher use.

But, anyway, I look forward to hearing from the witnesses today and thank the chairman and the vice chairman.

Mr. MICA. I thank the gentleman, and we'll work with you. That could be devastating, and you want to turn that property around to its best use if you are hit with such a turndown by the agency.

I thank the members. And, as I said, we'll leave the record open for 5 legislative days for members who'd like to submit a written statement. And I'll ask unanimous consent, if the minority does not appear today, to have their statement put at this point in the record.

Without objection, so ordered.

Mr. MICA. We'll now recognize our panel of witnesses and thank them for participating.

I'm pleased to welcome the Honorable David Mader, and he is Controller of the Office of Management and Budget; the Honorable Gregory Parham. Mr. Parham is the Assistant Secretary for Administration at the Department of Agriculture. Mr. Michael Gelber, he's the Deputy Commissioner of the Public Buildings Service at the General Services Administration; and Mr. David Wise, Director of Physical Infrastructure at the Government Accountability Office.

I'd like to welcome all of our witnesses. Some of you have been here before; some of you may be new. This is an investigations and oversight subcommittee of Congress. If you'll stand, we'll swear you in.

Raise your right hand.

Do you solemnly swear or affirm that the testimony you're about to give before this committee and subcommittee of Congress is the whole truth and nothing but the truth?

Let the record reflect that all witnesses answered in the affirmative.

Again, thank you.

Now, the ones who have been here before know we try to limit your opening statement to 5 minutes, if you have additional data, information, or a statement that you'd like to be made part of the record, just a request through the chair or one of the members. We'd be glad to accommodate you.

With that, we'll recognize our witness from the OMB.

Thank you for being with us. You are recognized, sir.

WITNESS STATEMENTS

STATEMENT OF THE HON. DAVID MADER

Mr. MADER. Thank you, Chairman Mica and members of the subcommittee, for the opportunity today to testify and update this subcommittee on the changes that we are implementing to improve the government's real property management and disposal program.

Since my hearing in 2014 with the chairman, we've made significant progress in reducing the Federal footprint and institutionalizing a real property management program across the government. Today, I will update you on the status of two important administration initiatives that have improved the efficiency of the government's real property portfolio.

OMB began its efforts with the "Freeze the Footprint" policy initiative in fiscal year '12, and it was in effect between fiscal year

'13 and '15. The objective of that policy at the time was to freeze agencies' office and warehouse portfolios to ensure that the government's portfolio did not increase.

I'm pleased to report that the administration, thus far, has exceeded its goal of freezing the footprint. In fact, we have reduced the government-wide-portfolio by 24.7 million square feet from fiscal year '13 to '15, which represents a 3.3-percent reduction from the baseline that we established in fiscal year '12.

We estimate that the government will avoid \$300 million in rent and operation and maintenance costs as a result of this initiative. Just to sort of give members an idea of what 24.7 million square feet looks like, think about 3.8 Pentagons. That's what we've saved between fiscal year '13 and fiscal year '15.

Second, while the "Freeze the Footprint" policy was still underway, we recognized the need to institutionalize a lasting strategic real property management program for the Federal Government. In March of 2015, OMB released the "National Strategy for Efficient Use of Real Property" and its companion "Reduce the Footprint" policy that covers all CFO Act agencies. So, basically, this is all civilian agencies and the Department of Defense. The national strategy institutionalized a government-wide goal to right-size our Federal real property portfolio by defining the strategic framework which agencies will use to manage their portfolio from here forward.

To implement this strategy, OMB issued the "Reduce the Footprint" policy to provide agencies specific performance goals and measures. The policy, which was effective in fiscal year '16, requires agencies to implement a 5-year rolling planning process that sets annual square foot reduction targets. It prioritizes disposal of unneeded and inefficiently used properties by requiring agencies to set annual square foot disposal targets for all buildings types.

The reduction targets function as an agency performance measure, and, when combined with some additional benchmarking that we've been doing over the last couple years, we now have 3 years of data going forward to start holding agencies accountable for their reduction plans. These performance measures for fiscal year '16 have resulted in a goal of reducing another 8 million square feet of space in the current fiscal year.

The policy also creates a portfolio analysis process by which agencies, with the support of GSA, will analyze underutilized and unutilized properties. The 5-year goal for the fiscal year '16 through '20 plan is to reduce another 61 million square feet of office and warehouse space.

With regard to property disposal, the government-wide program has achieved solid results over the last 2 fiscal years, and my colleagues from GSA will address that in more detail.

We appreciate the support from Congress for the legislative solutions that permit agency retention for the sale proceeds for reinvestment in additional disposals, provide expanded authority for GSA to support agencies' work to prepare properties for the declaration of excess, and to offer relief for some aspects of the current disposal process.

And I think, Mr. Chairman, this speaks to a lot of the comments that you made in your opening comment. We can do so much ad-

ministratively. And I think the bills from Chairman Chaffetz, from Chairman Denham—and I have been personally working with the House and Senate in trying to get both chambers to agree on some kind of legislation to move forward.

In addition to the legislative solutions, we must invest to make the necessary reconfigurations, relocations, and disposals that will result in future cost avoidance. While we've made good progress, significant efficiency opportunities remain to be realized.

One significant challenge has been the historically low levels of funding appropriated to the Federal Building Fund since fiscal year '11. Between fiscal year '11 and fiscal year '15, the Congress underfunded the Federal Building Fund by more than \$5 billion. This has prohibited GSA from making necessary repairs to Federal buildings and delayed the construction of critical new Federal facilities.

The President's '17 budget would restore GSA's authority to fully utilize incoming rent funds to construct new facilities, such as a consolidated Department of Homeland Security headquarters, as well as maintain the existing GSA Federal buildings that need major renovations and basic repairs. We ask the Congress to continue to support GSA's capital program and the critical projects that are identified in the fiscal year '17 President's budget, including a \$100 million request for GSA's consolidation fund.

We look forward to working with the Congress on legislation and funding in fiscal year '17 and beyond that will enable us to make even greater progress and accelerate our mutual interest of the reducing the underutilized and unutilized property.

Thank you for the opportunity to testify, and I look forward to your questions.

[Prepared statement of Mr. Mader follows:]

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**
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**Testimony of David Mader
Controller, Office of Management and Budget
before the
House Committee on Oversight and Government Reform
Subcommittee on Transportation and Public Assets**

September 23, 2016

Thank you, Chairman Mica, Ranking Member Duckworth, and Members of the Subcommittee, for the invitation to testify and update the Subcommittee on the changes we are implementing to improve the government's real property management capability and our work to dispose of excess and unutilized properties. I appreciate the opportunity to return to this Committee and discuss how we are right-sizing the Federal real property portfolio. Since my 2014 hearing on real property, we have made significant reductions to our Federal footprint and have institutionalized rigorous real property management. Today, I will first update you on the status of two important Administration initiatives that have improved the efficiency of the government's portfolio before updating you on the progress the Administration has made to dispose of unneeded properties and its ongoing work to improve the timely disposal of such assets.

The Administration's focus to right-size the government-wide portfolio targets properties that are unneeded for a given agency's mission; our goal is to complete the administrative disposal process to verify the property is surplus to the needs of the government as a whole so it can be moved to the "surplus" category and disposed.¹

To execute this overarching management initiative to align our Federal real property to what the government needs to serve the taxpayers, OMB began its efforts in Fiscal Year (FY) 2012 with the "Freeze the Footprint" (FTF) policy initiative, which was in effect from FY 2012 through FY 2015. The objective of the FTF policy was to freeze growth in agencies' office and warehouse portfolios, so that the government's portfolio did not increase. I am pleased to report that the Administration far exceeded its goal, as we reduced the agencies' portfolios by 24.7 million square feet (SF) in these asset categories from FY 2012–FY 2015, a 3.3% reduction from FY 2012's 730 million SF office and warehouse baseline. We estimate that the government will avoid \$300 million of rent and operations and maintenance costs annually, from FY 2016 onward, due to this 24.7 million SF reduction. This is a significant accomplishment because the government has, for the first time, reduced high cost space through a multiyear initiative and generated significant cost avoidance for the government.

While the FTF policy was still underway, we recognized the need to institutionalize a lasting strategic approach for government-wide real property management. In March 2015,

¹ It is important to note that "underutilized" properties are not generally considered priority candidates for disposal, as these properties generally are needed to meet agency mission requirements even though they are used on an intermittent basis. For example, a Park Service ranger station may be closed for the winter, or an agency training facility may not be used every week of the year, but these assets are needed to implement the agency mission.

OMB released the National Strategy for the Efficient Use of Real Property (National Strategy) and its companion “Reduce the Footprint” (RTF) policy. The National Strategy institutionalizes the government-wide goal to right-size our Federal property portfolio by defining the strategic framework agencies will use to manage their portfolios for efficiency gains. The framework *freezes* growth in the inventory, *measures* performance, *identifies* opportunities to improve efficiency and data quality to support data driven decision-making, and ultimately *reduces* the size of the inventory by prioritizing actions to consolidate, co-locate, and dispose of properties. These three steps provide the context within which all civilian agencies and the Department of Defense will manage their real property. Currently, the framework is improving the utilization of government owned buildings, lowering the number of excess and underutilized properties, and enhancing the cost effectiveness and efficiency of the portfolio. The National Strategy will institutionalize our objectives to reduce the government-wide portfolio and manage properties as efficiently as possible.

To implement the National Strategy, OMB issued the RTF policy to provide a robust set of agency specific performance measures. The RTF policy requires Chief Financial Officer (CFO) Act agencies to implement a five year, rolling planning process that sets annual SF reduction targets to reduce their real property portfolios. It prioritizes the disposal of unneeded and inefficiently used properties by requiring agencies to set annual square foot reduction targets. The RTF reduction targets function as agency performance measures; when combined with the FY 2014 benchmarking metrics² developed under the President’s Management Agenda, the government has a three year set of accountable performance measures to drive portfolio-wide efficiency improvements and property disposals. These performance measures helped agencies target a net portfolio reduction goal of over 8 million SF in FY 2016. The RTF promotes efficiency in the acquisition of owned and leased office space by requiring agencies to issue an agency-specific office space design standard and to use this standard to design all new office space for efficiency improvement. This requirement is now in place, and it will enhance portfolio efficiency as properties are disposed and replaced.

The RTF policy also creates a portfolio analysis process by which agencies, with the support of the General Services Administration (GSA), will analyze underutilized and unutilized properties. The annual portfolio analysis agencies use to set their annual reduction targets will help agencies determine which underutilized or unutilized properties can be declared excess and moved toward sale, public benefit conveyance, or demolition and identify mechanisms to reduce and right-size their portfolios. In this way, the RTF policy will help reduce the number of underutilized and unutilized properties across the Federal government.

With regard to property disposal, this government-wide program has achieved solid results the last two fiscal years. In FY 2014, disposal of all domestic owned building types, including the FTF reductions, totaled 7,300 buildings and 47 million SF. These disposals reduced annual operation and maintenance costs by approximately \$17 million. In FY 2015, the disposal of all domestic owned building types, including the FTF reductions, totaled 4,900 buildings and 24.8 million SF, with a \$47 million reduction to annual operation and maintenance costs. These reductions were partially offset by the government’s need to replace obsolete buildings and acquire new assets to support agency mission requirements. In the last two years - FY 2014 and FY 2015 - we have achieved a reduction total of over 12,000 buildings, 71.8

² See this link for a summary: <https://www.performance.gov/node/3397/view?view=public>

million SF of space, and a \$64 million reduction in annual operation and maintenance cost. This demonstrates that the government has a robust disposal capability that it aggressively exercises across all building types.

At our last hearing we discussed a subset of high profile properties on the excess and surplus property lists, and we are aggressively pursuing their disposal.

To accelerate the pace and scope of disposals, we have developed new management tools within the Federal Real Property Profile (FRPP) to help agencies identify, target, and prioritize efficiency opportunities. We have now fully implemented data driven decision-making tools that provide detailed data on these properties' annual cost, location, and size, among other data elements, in a structured format that leverages multiple real property databases and fully supports the ability of agency management teams to identify these properties and to prioritize them for action. These tools enable agencies to use their data to calculate performance metrics, assess progress, and manage their disposal programs, all of which are powerful incentives for them to improve FRPP data quality as they dispose of more property. As our ongoing work to right-size the government-wide portfolio progresses, we will add properties to the disposal list as consolidation and collocation projects are identified and implemented.

We have appreciated the support from the Congress as we ushered in a new era of strategic Federal real property management. We believe that with a continued partnership with the Congress, we can increase the pace and number of properties disposed by modifying existing statutes to accelerate the disposal process through sale, demolition, and public benefit conveyance. Specifically, the Administration supports legislative solutions that permit agency retention of some sale proceeds for reinvestment in additional disposals, provide expanded authority for GSA to support agencies' work to prepare properties for a declaration of "excess," and offer relief from some aspects of the current disposal process. These changes could provide an important boost to agencies' disposal programs and achieve improved results for the taxpayer. We appreciate the opportunity to work with this Congress on such legislative modifications that support increased property disposal moving forward. We hope our work will help to provide the needed legislative relief and authorities that will save taxpayer dollars.

In addition to legislative solutions that can drive even more efficient real property management, we must invest to make the necessary reconfigurations, relocations, and disposals that will result in cost avoidance in future years. While we have made good progress, significant efficiency opportunities remain to be realized. One significant challenge has been the historically low levels of funding appropriated to the Federal Buildings Fund since FY 2011. In FY 2011 through FY 2015, Congress underfunded the Federal Buildings Fund by more than \$5 billion. This has prohibited GSA from making necessary repairs to Federal buildings and delayed the construction of critical, new Federal facilities. We appreciate Congress' action to fully fund the Federal Buildings Fund in FY 2016, restoring the capital program. The President's FY 2017 Budget again restores GSA's authority to fully use incoming rent collections to construct new facilities, such as the new FBI Headquarters and the consolidated Department of Homeland Security Headquarters at St Elizabeths, as well as maintain existing GSA Federal buildings that need major renovations and basic repairs. We anticipate that the Congress will continue to support the GSA capital program and critical projects in FY 2017, including the \$100 million request for GSA's consolidation fund. GSA is leading the Federal effort to both invest in Federal facilities

and consolidate space to reduce costs and optimize efficiency, saving tens of millions in annual lease costs. As I've mentioned previously, and it is important to note, recent funding levels for GSA and other Federal landholding agencies have led to both facility deterioration as well as missed opportunities to consolidate and reduce operating costs. Fully funding the President's FY 2017 request for the GSA consolidation program, for example, will accelerate the government's realization of cost reduction.

Moving forward, we will continue to use available resources as effectively as possible to enhance agencies' capability to implement the National Strategy and RTF policy. This requires making prudent business decisions and making tradeoffs among priorities to improve efficiency. As stated above, this includes the implementation of new management tools within the FRPP to help agencies target and prioritize efficiency opportunities and improvement of FRPP data quality. GSA is also continuously working with agencies to improve the quality of agencies' FRPP data by developing new mandatory data validation and verification procedures to validate the accuracy of key FRPP data elements. Agencies will implement the data validation and verification procedures in December 2016, and then report on how they addressed each data anomaly identified by GSA's data analysis tool. The collaborative work that GSA and OMB have executed further demonstrates our strong working relationship and strategic partnership to improve portfolio efficiency.

In developing our overall approach for improving the government-wide program we have enjoyed open and fruitful discussion with the Government Accountability Office (GAO). We appreciate GAO's continued dialogue and focus on real property and its willingness to collaborate as we strive to meet our mutual goal of removing the high risk designation from the Federal real property program. The most recent GAO High Risk report acknowledged the increased activity and leadership by OMB in this area. Our goals continue to be to improve the efficiency of the government-wide program to benefit the taxpayer and to exit GAO's high risk list. This Administration has constructed a solid foundation to attain both of these goals.

We look forward to working with the Congress on legislation that will enable us to make even greater progress improving the efficiency of the government-wide portfolio and accelerating the pace of property disposals over the next few years.

Thank you for the opportunity to testify today on this important topic. I look forward to answering your questions.

Mr. MICA. Thank you.

And I think I'm going to go to Mr. Gelber—wait, wait, wait. I've got the two oversight. We'll go to the oversight, Mr. Wise, and then we'll go back to GSA, and then we'll get you last, Mr. Parham.

Okay. Mr. Wise, you're recognized, from GAO.

STATEMENT OF DAVID WISE

Mr. WISE. Chairman Mica and members of the subcommittee, thank you for the opportunity to discuss our work on the management of excess and underutilized Federal real property. In 2003, we added Federal real priority to our biennial High-Risk List, in part due to longstanding management challenges, including disposal of excess and underutilized property.

I've got three key points to make today. Over the past several years, the administration has taken a number of steps to improve management of the government's real property portfolio. Second, agencies face longstanding challenges in disposing of excess and underutilized real property. And, third, implementing key GAO recommendations and proposed reform legislation could help address these challenges.

Since 2012, the government has made efforts to improve real property management. The government has developed and worked to improve the Federal Real Property Profile, the government-wide database.

In 2015, OMB issued its Real Property National Strategy, which aligns with many of the desirable characteristics of the effective national strategy the GAO has identified, including describing the purpose, defining the problem, and outlining goals and objectives. The 2015 strategy is an important step forward, as it requires agencies to set annual space reduction targets and adopt space use standards.

Prior to issuing the national strategy, OMB issued "Freeze the Footprint" and "Reduce the Footprint" directives. These directives have assisted agencies to better utilize existing space and identify and dispose of unneeded space.

Despite the progress, significant challenges remain. For example, a lack of reliable FRPP data makes accurately measuring the amount of excess property challenging. While OMB and GSA have taken steps to improve the FRPP, such as issuing guidance and implementing data validation procedures, GSA has not fully analyzed agencies' collection or reporting practices or the limitations of the data.

Certain key FRPP data elements, such as utilization, continue to be inconsistently reported by agencies. As a result, FRPP data may not fully reflect the extent of real property challenges faced by agencies nor the progress they may have made in addressing such challenges. In prior work, we found inaccuracies in warehouse utilization data as well as results from the "Freeze the Footprint" initiative.

Legal requirements can also present challenges to disposal. As the government's agent, GSA follows a prescribed process for the disposal of Federal properties reported as excess by agencies. This process includes requirements that the property be screened for po-

tential use by other Federal agencies, homeless providers, and State and local governments for other public uses.

Costly environmental requirements may outweigh the financial benefits of property disposal, especially for agencies such as the Department of Energy. In some cases, competing stakeholder interests can impact the process. Stakeholders may include State, local, and tribal governments, business interests in the local communities, historic preservation groups, and the general public. Finally, limited accessibility can influence the process. For example, a building on a closed VA campus is unlikely to draw much interest.

The Cotton Annex in Washington, D.C., is a good example of disposal challenges. This 118,000-square-foot building, located just south of the National Mall, has been vacant since 2007. As we reported in 2016, GSA's recent attempt to exchange the property for construction services failed when GSA was unable to obtain sufficient value from the exchange, making the fate of this unneeded building unclear.

GAO recommendations. In an August 2016 letter, GAO conveyed several open key recommendations to the GSA Administrator relating to excess and underutilized property. These included: one, an April 2016 recommendation aimed at improving the quality and transparency of FRPP data; two, a November 2014 recommendation that GSA articulate a strategy for its role in promoting effective and efficient warehouse management practices across the Federal Government; and, three, a September 2014 recommendation that GSA and DHS work jointly with regard to the DHS headquarters project on the Saint Elizabeth's campus in order to develop a comprehensive needs assessment and update cost and schedule estimates. We will be assessing the agency's latest plan when it's completed.

Finally, proposed real property reform bills could help address the challenges of Federal excess and underutilized property. For example, the Federal Assets Sale and Transfer Act of 2016 could help address stakeholder influences by establishing a public buildings reform board to identify opportunities for the Federal Government to significantly reduce its inventory of civilian real property and reduce its costs.

Additionally, the Public Buildings Reform and Savings Act of 2016 could also promote consolidations and disposals by requiring that GSA, one, justify to Congress any new or replacement building space in the prospectus process, including reasons why there cannot be consolidation or co-location into other government-owned and -leased space; and, two, dispose of specific properties in the Washington, D.C., area, including the Cotton Annex.

Although both bills have passed the House of Representatives, neither has been enacted.

Chairman Mica and members of the subcommittee, this concludes my statement, and I'll be pleased to answer any questions.

[Prepared statement of Mr. Wise follows:]



United States Government Accountability Office

Testimony before the Subcommittee on
Transportation and Public Assets,
Committee on Oversight and
Government Reform, House of
Representatives

For Release on Delivery
Expected at 9:00 a.m. ET
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FEDERAL REAL PROPERTY

Efforts Made, but Challenges Remain in Reducing Unneeded Facilities

Statement of Dave Wise,
Director, Physical Infrastructure

GAO Highlights

Highlights of GAO-16-869T, a testimony before the Subcommittee on Transportation and Public Assets, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

In 2003, GAO added "Federal Real Property" to GAO's biennial High-Risk list, in part, due to long-standing challenges federal agencies face in managing federally owned real property, including disposal of excess and underutilized property. Continuing to maintain these unneeded facilities puts the government at risk for wasting resources due to ongoing maintenance costs as well as lost revenue from failing to sell excess property. Despite implementing policies and systems that may help federal agencies manage real property, the federal government continues to maintain excess and underutilized property. In fiscal year 2015, federal agencies reported over 7,000 excess or underutilized real property assets.

This testimony addresses (1) efforts by the federal government to address excess and underutilized properties since 2012, (2) long-standing challenges to managing and disposing of federal real property and (3) potential solutions to address these long-standing challenges.

This statement summarizes the results of a number of previous GAO reports on real property utilization and management that were issued from 2011 through 2016. GAO also included some updates based on follow-up, conducted on the status of GAO's recommendations in 2015 and 2016.

View GAO-16-869T. For more information, contact Dave Wise at (202) 512-2834 or wise@gao.gov.

September 23, 2016

FEDERAL REAL PROPERTY

Efforts Made, but Challenges Remain in Reducing Unneeded Facilities

What GAO Found

Since 2012, the administration has taken steps to reform real property management and address the long-standing challenge of reducing excess and underutilized property. For example, in 2015, the Office of Management and Budget (OMB) issued government-wide guidance—the National Strategy for the Efficient Use of Real Property—which GAO found in 2016 could help agencies strategically manage real property.

However, GAO's work has found that significant challenges persist in managing real property in general and excess and underutilized property in particular. They include:

- a lack of reliable data with which to measure the extent of the problem,
- a complex disposal process,
- costly environmental requirements,
- competing stakeholder interests, and
- limited accessibility of some federal properties.

Properties in the Washington, D.C., area such as the Cotton Annex building, vacant General Services Administration (GSA) warehouses, and buildings on the St. Elizabeths campus (pictured below) illustrate the challenges for disposal and re-utilization of vacant federal buildings. For example, GAO found in 2014 that real property data indicated some GSA warehouses were utilized when they had been vacant for as long as 10 years.

Examples of Vacant Federal Buildings



Source: GAO. | GAO-16-869T

In addition to the steps already taken by the administration, further action by federal agencies to implement GAO's previous recommendations could help to address some of these challenges. For example, GAO has made recommendations to GSA and other federal agencies that, if implemented, would increase the federal government's capacity to manage its portfolio and document the progress of reform efforts. GAO highlighted its highest priority open recommendations to GSA in an August 2016 letter to GSA. Among those are three recommendations related to excess and underutilized property, including a recommendation to assess the reliability of data collected and entered into GSA's Federal Real Property Profile database by individual federal agencies. Additionally, real property reform bills that could address the long-standing problem of federal excess and underutilized property have been introduced in Congress. Specifically, two bills have been passed by the House of Representatives in 2016, but neither has been enacted yet.

United States Government Accountability Office

Chairman Mica, Ranking Member Duckworth, and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on the management of excess and underutilized federal real property. In 2003, we added "Federal Real Property" to our biennial high-risk list, in part, due to long-standing challenges federal agencies face in managing federally owned real property, including disposal of excess and underutilized property.¹ Despite implementing policies and systems that may help federal agencies manage real property, the federal government continues to maintain too much excess and underutilized property. According to the General Services Administration's (GSA) Federal Real Property Profile (FRPP) database, in fiscal year 2015, 23 federal agencies reported over 7,000 excess or underutilized real property assets. These properties represent wasted resources as they are costly to maintain and, in some cases, could be exchanged for other needed properties or sold to generate revenue for the federal government.

Despite recent progress in implementing policies and systems to help GSA and federal agencies more effectively manage real property, the federal government continues to face substantial challenges to reducing underutilized space and disposing of excess property. For this hearing, you asked us to discuss the current state of excess, surplus, and underutilized properties in the federal government. My testimony will address (1) efforts by the federal government to address excess and underutilized properties since 2012, (2) long-standing challenges to managing and disposing of federal real property and (3) potential solutions to address these long-standing challenges. My testimony summarizes the results of a number of our previous reports on real property utilization and management issued from 2011 through 2016. These reports, cited throughout this statement, include more detailed information on the scope and methodology for our reviews. This testimony also includes some updates based on follow-up, conducted in 2015 and 2016, on recommendations contained in some of these prior reports. To conduct the updates, we reviewed documents and interviewed officials from the Department of Homeland Security (DHS) and GSA. The work on which this statement is based was conducted in accordance with generally accepted government auditing standards. Those standards

¹GAO, *High-Risk Series: an Update*, GAO-15-290 (Washington, D.C.: Feb. 11, 2015).

require that we plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

The Administration Has Taken Steps to Reform Real Property Management

Since 2012, the government has made efforts to improve real property management. As we reported in 2016, the Office of Management and Budget (OMB) issued government-wide guidance—the *National Strategy for the Efficient Use of Real Property*—in 2015, which aligns with many of the desirable characteristics of effective national strategies that GAO has identified, including describing the purpose, defining the problem, and outlining goals and objectives. We concluded that the strategy is a major step forward that could help agencies strategically manage real property by establishing a government-wide framework for addressing real property challenges.² Prior to issuing the *National Strategy*, OMB issued a 2012 Freeze the Footprint policy and subsequently issued its 2015 Reduce the Footprint policy, which directs agencies to, respectively, restrict growth and take action to reduce square footage in their real estate inventory. As part of the implementation of these policies, agencies were required to submit a plan to OMB detailing how the agency intended to maintain or reduce the square footage of its real property inventory.³ We found that the agencies we reviewed in 2016 had outlined approaches to manage any growth in their portfolio, better utilize existing space, and identify and dispose of space no longer needed to support the agency's mission.

²GAO, *Federal Real Property: Improving Data Transparency and Expanding the National Strategy Could Help Address Long-standing Challenges*, GAO-16-275 (Washington, D.C.: Mar. 31, 2016).

³The *Freeze the Footprint* implementation memorandum required agencies to develop and submit a Revised Real Property Cost Savings and Innovation Plan, as well as Annual Agency Evaluations, describing the agency's overall approach in managing its real property usage and spending. *Reduce the Footprint* changed this requirement to require a Real Property Efficiency Plan to describe the agency's overall strategic and tactical approach in managing its real property, provide a rationale and justification for its optimum portfolio and drive the identification and execution of real property disposal, efficiency improvements, general usage, and cost saving measures.

Agencies Face Long-standing Challenges in Disposing of Excess and Underutilized Real Property

Despite this progress, significant challenges to managing real property in general and excess property in particular, remain.

- *Lack of Reliable Data:* A lack of reliable data makes it difficult to accurately measure the amount of excess property. As we reported in 2015, this undermines efforts to effectively reform real property management and to judge progress in addressing the associated challenges.⁴ The data used to manage the government's real property, the Federal Real Property Profile (FRPP), are unreliable due to challenges with the accuracy and consistency of data reported by federal agencies. For instance, in 2014, we reported that GSA's interpretation of utilization definitions (interpreting the terms unutilized and underutilized to apply only to properties in the disposal process) leads GSA to identify nearly all of its warehouses as utilized despite, in some cases we identified, being vacant for as long as 10 years.⁵ Additionally, in 2015, we found that the federal government's reported results from the Freeze the Footprint policy for fiscal year 2012 were overstated.⁶ Many reported reductions from the four agencies we reviewed were the result of actions other than actual space reduction, such as the re-categorization of space to another use or data errors. While we found in March 2016 that OMB and GSA have taken positive steps such as issuing guidance and implementing data validation procedures to improve the quality of FRPP data, we also found that GSA had not analyzed agencies' collection or reporting practices or the limitations of the data.⁷ Certain key FRPP data elements, such as utilization status, continue to be inconsistently reported by agencies. As a result, we concluded that FRPP data may not fully reflect the extent of real property challenges faced by agencies or the progress they have made in addressing challenges in these areas. Furthermore, we found that the current lack of transparency regarding how agencies collect and report FRPP data increases the risk of using the data to guide decision-making, thereby limiting the data's usefulness. We made several recommendations,

⁴GAO-15-290.

⁵GAO, *Federal Real Property: Strategic Focus Needed to Help Manage Vast and Diverse Warehouse Portfolio*, GAO-15-41 (Washington, D.C.: Nov. 12, 2014).

⁶GAO-15-290.

⁷GAO-16-275.

which I will discuss later in my testimony, for improving the reliability of these data.

- *Complex Disposal Process:* Legal requirements can make the property disposal process lengthy and complicated. As the federal government's property disposal agent, GSA follows a prescribed process for the disposal of federal properties reported as excess by federal agencies. This process includes requirements that the property be screened first for potential use by other federal agencies, then by homeless providers and state and local governments for other public uses. However, we found in 2011 that this process can be challenging for federal agencies.⁸ For example, the McKinney-Vento Homeless Assistance Act requires the federal government to go through a screening process for excess, surplus, underutilized, and unutilized properties for suitability for homelessness services.⁹ We found that as of March 2014, at least 40,000 properties were screened under the Act but only 81 of them were being used by homelessness assistance providers.¹⁰ Requirements associated with the National Historic Preservation Act can also present a challenge. For example, VA officials we spoke to for a 2012 report told us that they were unable to demolish a 15,200-square-foot building at Menlo Park, California, that has been used as both a residence and a research building during its 83-year history.¹¹ The building had been scheduled for demolition since 2001, but VA could not demolish it because of an historical designation.
- *Costly environmental requirements:* Agency disposal costs can outweigh the financial benefits of property disposal. Environmental requirements provide that necessary environmental remediation be

⁸For more information on the process of disposing of federal real property and associated challenges, see GAO, *Federal Real Property: The Government Faces Challenges to Disposing of Unneeded Buildings*, GAO-11-370T (Washington, D.C.: Feb. 10, 2011).

⁹The Stewart B. McKinney Homeless Assistance Act, Pub. L. No. 100-77, title V, 101 Stat. 482, 509-511 (1987), was renamed the McKinney-Vento Homeless Assistance Act in 2000. Pub. L. No. 106-400, 114 Stat. 1675 (2000).

¹⁰GAO, *Federal Real Property: More Useful Information to Providers Could Improve the Homeless Assistance Program*, GAO-14-739 (Washington, D.C.: Sept. 30, 2014).

¹¹GAO *Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property*, GAO-12-645 (Washington, D.C.: June 20, 2012).

completed prior to disposing of a property.¹² However, as we found in 2012, the required environmental assessments and remediation can be expensive and time-consuming.¹³ For example, the Department of Energy (DOE) is responsible for remediation of contaminated nuclear weapons manufacturing and testing sites that include thousands of excess buildings contaminated with radiological or chemical waste. In June 2012, we reported that DOE officials told us that because their decontamination and disposal funds are limited, they might not be able to dispose of these buildings for many years.¹⁴ In addition, in 2014 we reported that officials from the Departments of Energy and Interior told us that in many cases the cost of cleanup of old warehouses outweighs the potential sale or salvage price.¹⁵

- *Competing Stakeholder interests:* Stakeholder interests can conflict with property disposal or reuse plans. We found in 2012 that—in addition to Congress, OMB, and real property holding agencies—several other stakeholders have an interest in how the federal government carries out its real property acquisition, management, and disposal practices. These stakeholders may include state, local, and tribal governments; business interests in the local communities; historic preservation groups; and the general public. For example, in the case of VA, veterans' organizations have had an interest in being consulted on plans to reuse or demolish VA's historic buildings and on how those plans affect the services provided to veterans. In cases like these, final decisions about a property may reflect competing interests and broader stakeholder considerations that may not align with what an agency views as the most cost effective or efficient alternative for a property.¹⁶

¹²The federal government is not permitted, with exceptions for deferral in certain cases, to transfer the deed of a property unless it can be determined that all remedial actions necessary to protect human life and the environment have been taken. 42 U.S.C. § 9620(h)(3).

¹³GAO-12-645.

¹⁴For additional information on DOE real property disposal, see GAO, *DOE Real Property: Better Data and a More Proactive Approach Needed to Facilitate Property Disposal*, GAO-15-305 (Washington, D.C.: Feb. 25, 2015).

¹⁵GAO-15-41.

¹⁶GAO, *Federal Real Property: Improved Data Needed to Strategically Manage Historic Buildings, Address Multiple Challenges*, GAO-13-35 (Washington, D.C.: Dec. 11, 2012).

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- *Limited Accessibility of Federal Properties:* As we found in 2012, the locations of some federal properties can make property disposal difficult.¹⁷ For example, because DOE must locate buildings in remote areas that include acreage that can serve as security and environmental buffer zones for nuclear-related activities, officials reported that they demolish most excess buildings rather than resell or reuse them. Similarly, Interior officials reported that most of their buildings are located on public domain lands, lands held in trust, or in remote or inaccessible areas, and VA officials reported that most of their buildings are located on medical center campuses. Because these buildings may not be easily accessible, sales or conveyances of these buildings can be challenging. For example, in 2014 we found that almost 80 percent of excess properties identified by the Department of Housing and Urban Development as suitable and available for public conveyance for homeless assistance were available for off-site use only—meaning that a homeless assistance provider would need to physically move the building in order to use it, which may not be feasible or worth the cost to homeless assistance providers.¹⁸

As discussed above, issues with the reliability of FRPP data—particularly the utilization variable—make it difficult to quantify the overall number of vacant and underutilized federal buildings. However, we have reported on some vacant properties in the Washington, D.C., area that illustrate the challenges associated with disposing of or repurposing vacant property.

- *The Cotton Annex:* This building, controlled by GSA as the federal government's property disposal agent and located just a couple blocks off the National Mall in Washington, D.C., is approximately 118,000 gross square feet and has been vacant since 2007 (see fig. 1). We found in 2016 that GSA's recent attempt to exchange the property for construction services failed when GSA was unable to obtain sufficient value from the exchange, making the fate of this unneeded building unclear.¹⁹

¹⁷GAO-12-645.

¹⁸GAO-14-739.

¹⁹GAO, *Federal Real Property: Observations on GSA's Canceled Swap Exchange Involving Buildings in the Federal Triangle South Area*, GAO-16-571R (Washington, D.C.: June 16, 2016).

Figure 1: The Cotton Annex has been Vacant Since 2007



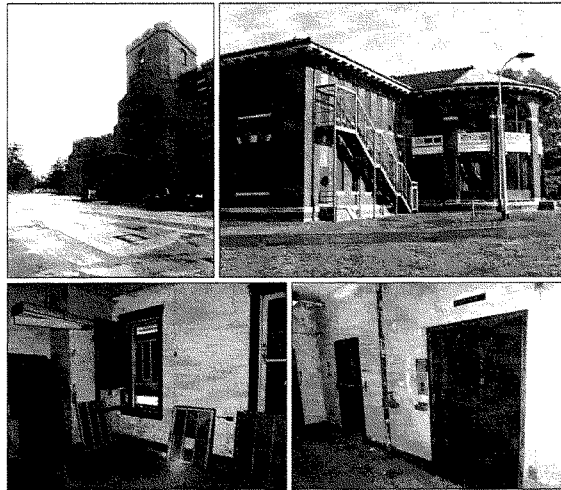
Source: GAO | GAO-16-869T

- St. Elizabeths: The west campus of St. Elizabeths, a National Historic landmark in Washington, D.C., is comprised of 61 buildings on about 182 acres (see fig. 2). Many buildings have been vacant for extended periods of time and are in badly deteriorated condition. As we reported in 2014, GSA developed a plan to establish a consolidated headquarters for the Department of Homeland Security on the site in 2009.²⁰ Since then, GSA has completed construction of a new

²⁰For additional information, see GAO, *Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, GAO-14-648 (Washington, D.C., Sept. 19, 2014) and Department of Homeland Security, *National Capitol Region Real Property Strategic Plan: Business Case Analysis (Revised): Joint GSA/DHS Real Property Strategic Plan for DHS Headquarter organizations, incorporating a revised St. Elizabeths construction plan and updated workplace standards* (Washington, D.C.: March 3, 2015).

headquarters building for the Coast Guard, but most of the project has been delayed. The estimated timeline for completing the project has been extended multiple times, from an initial estimated completion date of 2016, to an estimated completion date of 2021 based on a scaled back plan as of 2015. As discussed below, we made recommendations for addressing these issues.

Figure 2: Images of Vacant Buildings on St. Elizabeth's campus



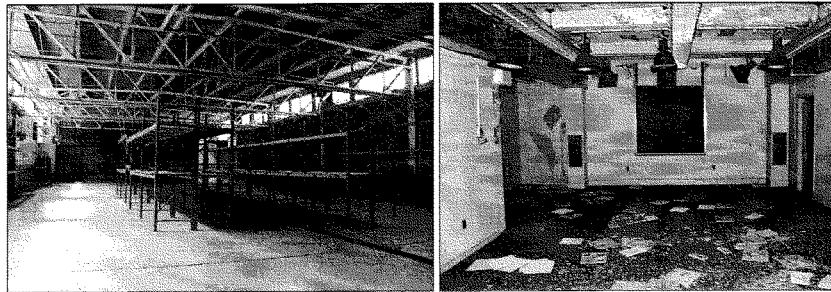
Source: GAO. | GAO-16-869T

- GSA Warehouses: In 2014, we found that some GSA warehouses listed in FRPP as utilized had been vacant for as long as 10 years.²¹ GSA only lists warehouses as unutilized if they are already in the disposal process. This interpretation of utilization in FRPP caused

²¹GAO-15-41.

GSA to list as utilized some warehouses that had been vacant for years. For example, see figure 3. We made a recommendation, discussed below, for improving GSA's management of its warehouses.

Figure 3: Vacant GSA Warehouses Identified as Active and Utilized in the Fiscal Year 2013 FRPP: Warehouses in Washington, DC Had Been Vacant since 2009 (left) and 2004 (right)



Source: GAO. | GAO-16-869T

Implementing GAO Recommendations Could Address Challenges Related to Excess and Underutilized Property

In recent years, we have made recommendations to GSA and other federal agencies that, if implemented, would increase the federal government's capacity to manage its portfolio and document any progress of reform efforts. The Comptroller General highlighted our highest-priority recommendations to GSA in an August 1, 2016, letter to the GSA Administrator. Of the six open recommendations, the letter included the following three related to excess and underutilized property

- In April 2016, we recommended that, to improve the quality and transparency of FRPP data, GSA, along with OMB and federal agencies, (1) assess the reliability of the data by determining how individual agencies collect and report data for each field, (2) analyze the differences in collecting and reporting practices used by these agencies, and (3) identify and make available to users the limitations of using FRPP data.²² GSA and OMB partially agreed with our

²²GAO-16-275.

recommendation, but GSA noted that it is the responsibility of individual agencies to ensure reliability of the data and compliance with FRPP definitions. OMB also noted that FRPP data are currently only being used by the individual agencies entering the data, and that the data are reliable for (and the limitations known by) the individual agencies. GSA has taken some action to implement the recommendation, including collecting information on individual agencies' internal guidance and the processes used to collect data. In June, 2016 GSA staff briefed us on additional steps they are taking to improve FRPP's usefulness as an analytical management tool. We are currently assessing the reliability of the federal government's fiscal year 2014 property disposal statistics.

- In November 2014, we recommended that GSA articulate a strategy for its role in promoting effective and efficient warehouse management practices across the federal government, a process that could include developing and disseminating warehouse management guidance and supporting agencies as they assess their warehouse portfolios.²³ GSA agreed with our recommendation and is taking steps to implement it. Specifically, GSA has created an online resource page on Warehouse Asset Management Best Practices and, according to GSA officials, is in the process of developing a Guide for Strategic Warehouse Planning, which GSA plans to complete in 2016.
- In September 2014, we recommended that GSA and DHS work jointly with regard to the DHS headquarters project on the St. Elizabeths campus, to (1) conduct a comprehensive needs assessment and gap analysis of current and needed capabilities and an alternatives analysis that identifies the costs and benefits of leasing and construction alternatives and (2) update cost and schedule estimates for the remaining portions of the project.²⁴ According to agency documents and our interviews with DHS and GSA officials, DHS and GSA have made progress in developing an enhanced plan for the project. In March 2015, DHS issued its *National Capitol Region Real Property Strategic Plan: Business Case Analysis*, which outlines a revised construction plan for the St. Elizabeths campus as well as updated workplace standards for the department. Additionally, according to GSA officials and agency documents, GSA is leading

²³GAO-15-41.

²⁴GAO-14-648.

efforts to revise the project's cost and schedule estimates that take into account GAO's leading cost-estimation practices. However, this recommendation remains open until these efforts are completed and the results assessed.

We continue to monitor the implementation of these and our other real property recommendations.

Finally, several real property reform bills have been introduced in Congress that could address the long-standing problem of federal excess and underutilized property. For example, the Federal Assets Sale and Transfer Act of 2016 could help address stakeholder influence by establishing a Public Buildings Reform Board to identify opportunities for the federal government to significantly reduce its inventory of civilian real property and reduce its costs.²⁵ Additionally, the Public Buildings Report and Savings Act of 2016 would promote consolidations and disposals by requiring, among other things, that GSA (1) justify to Congress any new or replacement building space in the prospectus, including reasons that it cannot be consolidated or collocated into other owned or leased space and (2) dispose of specific properties in Washington, D.C., including the Cotton Annex.²⁶ Although both bills have passed the House of Representatives, neither one has been enacted yet.

Chairman Mica, Ranking Member Duckworth, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

²⁵H.R. 4465, 114th Cong. (2016).

²⁶H.R. 4487, 114th Cong. (2016).

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Mr. MICA. Thank you. And we'll catch you with questions after we've heard from the other two witnesses.

We'll hear from our GSA representative now, Mr. Gelber.

STATEMENT OF MICHAEL GELBER

Mr. GELBER. Good morning, Chairman Mica and members of the subcommittee. My name is Michael Gelber, and I am Deputy Commissioner of the U.S. General Services Administration Public Building Service. Thank you for inviting me to this hearing on vacant Federal properties.

GSA's mission is to deliver the best value in real estate, acquisition, and technology services to government and the American people. To meet this mission, GSA is working with Federal agencies to improve space utilization, reduce real estate costs, and deliver space that allows our partner Federal agencies to better achieve their missions.

Additionally, we are working with the Office of Management and Budget and the Federal Real Property Council to improve the Federal Government's inventory of real property, identify opportunities to better use underperforming properties, and assist agencies in the development of strategies to divest of their unneeded assets.

Over the last 5 years, from fiscal year 2011 through fiscal year 2015, GSA has disposed of over 940 properties, both those managed by GSA as well as other landholding agencies, generating over \$275 million in proceeds. GSA disposes of Federal real property through public sales, public benefit conveyances, negotiated sales, and Federal transfers.

This past April, GSA sold the Metro West facility in downtown Baltimore, Maryland, for more than \$7 million at a public auction. The sale of this 1-million-square-foot facility, which previously housed the Social Security Administration, will save the taxpayer more than \$3 million per year. Disposing of this building will serve as a catalyst for economic development on the west side of Baltimore.

In Richland, in the State of Washington, GSA worked with the city to dispose of a portion of a parking lot at the Richland Federal Building. The city expressed a strong interest in this downtown parcel and will be using the site for new city hall. The city offered GSA cash and a city-owned half-acre parcel immediately adjacent to the Richland Federal Building.

GSA offers properties to communities through its Public Benefit Conveyance Program. In Buffalo, New York, GSA has been working with the city to use the historic Dillon Courthouse for a law enforcement purpose. The conveyance of this property will reduce the Federal footprint by approximately 180,000 gross square feet of space and reduce maintenance costs by over \$650,000 annually.

In addition to traditional disposal processes, GSA uses other tools to redevelop properties that no longer serve the government's needs. For example, as the chairman mentioned, in Miami, Florida, GSA entered into a long-term outlease with the Miami-Dade Community College for the historic Dyer Federal Building and Courthouse. As part of the outlease, the college will renovate the property for its use while preserving its historic features. This agreement will enable the building to continue to be a vital part of the

Miami community for years to come and save the taxpayer \$1.7 million in annual maintenance and operation costs.

GSA is leveraging the value of Federal assets through exchanging these properties in return for construction services or newly constructed buildings. In Cambridge, Massachusetts, the Volpe National Transportation Systems Center is located on 14 acres in a high-technology hub of the city and no longer adequately serves the mission of this facility. Earlier this month, qualified developers submitted proposals to transform this property in exchange for a newly constructed research and technology facility for the Department of Transportation on a portion of the current site. This project will result in the delivery of new and improved space for transportation research, as well as economic development opportunities and tax revenue for the local community.

GSA is also supporting the “Reduce the Footprint” policy by creating and enhancing several analytical tools to help agencies identify possible opportunities for disposal, consolidation, and co-location. GSA’s Real Property Management Tool allows agencies to identify expiring leases and occupancy agreements and recognize cost savings that could be realized from the disposal of underutilized and inactive assets. Agencies can also use this tool to view benchmarks, such as rent per square foot, operating and maintenance costs per square foot, square feet per person, and compare agency-specific data with government-wide averages.

Another tool, which GSA launched this June, is the Asset Consolidation Tool. This tool allows an agency user to identify what Federal space exists in a certain geographic area, such as a ZIP Code, a particular city, county, or within a mileage radius of a particular building. This information enables agencies to make targeted searches for space that other agencies currently occupy in a given area.

While GSA has made significant progress and improvements in managing Federal real property and more aggressively disposing of unutilized assets, there are still a number of longstanding challenges that need to be addressed. These include incentives for Federal agencies to identify and execute disposals, statutory requirements prior to disposals, aligning non-Federal stakeholder interests, costs associated with the disposal process, and remote property locations. GSA is working diligently with agencies to overcome these hurdles and working with OMB to assist with its efforts.

GSA is committed to carrying out its mission of delivering best value in real estate. I thank the committee for the opportunity to testify today, and I look forward to answering your questions.

[Prepared statement of Mr. Gelber follows:]

STATEMENT OF

**MR. MICHAEL GELBER
DEPUTY COMMISSIONER
PUBLIC BUILDINGS SERVICE
U.S. GENERAL SERVICES ADMINISTRATION**

**BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC ASSETS
OF THE
U.S. HOUSE COMMITTEE ON
OVERSIGHT AND GOVERNMENT REFORM**

September 23, 2016

Good morning Chairman Mica, Ranking Member Duckworth, and members of this Subcommittee. My name is Michael Gelber, and I am the Deputy Commissioner of the U.S. General Services Administration's (GSA) Public Buildings Service (PBS). Thank you for inviting me to this hearing on vacant Federal properties.

GSA's mission is to deliver the best value in real estate, acquisition, and technology services to government and the American people. To meet this mission, GSA is working with Federal agencies to improve space utilization, reduce real estate costs, and deliver space that allows our partner Federal agencies to better achieve their missions. Additionally, we are working with the Office of Management and Budget (OMB) and the Federal Real Property Council (FRPC) to improve the Federal Government's inventory of real property, identify opportunities to better use underperforming properties, and assist agencies in the development of strategies to divest of their unneeded assets. GSA is also actively working to repurpose buildings in PBS's inventory that are underutilized or vacant.

GSA manages one of the largest and most diversified public real estate organizations in the world. Its portfolio consists of 425 million rentable square feet (RSF) in 8,525 active assets across the United States: in all 50 states, six U.S. territories, and the District of Columbia. In terms of the square footage of GSA's inventory, 54 percent is owned, and 46 percent is leased. While GSA is sometimes referred to as the "Government's Landlord," GSA is one of more than two dozen major landholding agencies in the Federal Government, and manages about 15 percent of the square footage of Federal properties.

Performance: Disposal of Unneeded Federal Assets

Over the last five years, from FY2011 through FY2015, GSA has disposed of 947 properties, both those managed by GSA as well as other Land Holding Agencies, generating \$289 million in proceeds. The bulk of the disposals were executed through public sales. Other property disposals involved negotiated sales, public benefit conveyances, and Federal transfers.

For GSA-managed properties, between FY2011 and FY2015, GSA has disposed of 62 properties, generating \$113 million in proceeds. This past April, GSA sold the Metro West facility in downtown

Baltimore, Maryland for more than \$7 million in a public property auction. The sale of this 1.1 million square-foot facility, which previously housed the Social Security Administration, will save the American taxpayer more than \$3.2 million per year. Disposing of this building will also serve as a catalyst for economic development on the west side of Baltimore.

Last year, GSA sold the Federal Reserve Building in Seattle for \$16 million at an online auction with eight bidders competing. The building, constructed in 1950, was transferred from the Federal Reserve to GSA in 2012. After analyzing options to retrofit the building and coordinating with local stakeholders, GSA chose to sell the building which resulted in a sale that protects the historic integrity of the asset while still allowing for the developer to renovate the facility. Today the building is under renovation and contributing to the local tax base.

GSA's property disposal process can also result in a negotiated sale to a state or local government if the property will be used for another public purpose. In Richland, Washington, GSA worked with the city to dispose of a 1.8 acre portion of a parking lot at the Richland Federal Office Building. The city expressed a strong interest in this downtown parcel, and will be using the site for the new Richland City Hall. The city offered GSA cash and a city-owned half-acre parcel immediately adjacent to the Richland Federal Office Building. This transactional structure allowed GSA to divest of underutilized parking in exchange for cash and a parcel that allowed for greater efficiency and enhanced security for the federal personnel that work at the Richland Federal Office Building.

GSA also makes properties available to communities through its "Public Benefit Discount Conveyance" program. In Buffalo, New York, GSA has been working with the City to use the historic Michael J. Dillon Memorial U.S. Courthouse for a law enforcement use. The conveyance of this property will reduce the Federal footprint by approximately 180,000 gross square feet, and reduce annual maintenance costs by about \$650,000 annually.

In addition to GSA's traditional disposal process, GSA also uses other innovative tools to redevelop properties that no longer serve the Government's needs. For example, in Miami, Florida, GSA entered into a long term outlease with the Miami-Dade Community College for the historic David W. Dyer Federal Building and Courthouse. As a part of the outlease, the college will renovate the property while preserving its historic features. GSA entered into this lease under the authority of Section 111 of the National Historic Preservation Act, which will enable the college to renovate and utilize this 170,000 square foot historic building, which was built in 1933. This agreement will enable the asset to continue to be a vital part of the Miami community for years to come. While still owned by the Federal Government, this long-term lease has enabled this property to be used for the community, while saving the Federal taxpayer \$1.7 million in annual maintenance and operations costs.

For Federal properties that no longer efficiently serve a Federal need, and which can have significant upkeep and maintenance costs, GSA is leveraging the value of these assets through exchanging these properties in return for construction services or newly constructed buildings. For example, the Volpe National Transportation Systems Center in Cambridge, Massachusetts is located on 14 acres in a high-technology hub of the city. The six buildings on the property were constructed nearly 50 years ago and no longer adequately serve the mission of this facility. In June 2016, GSA issued a Request for Proposals for qualified developers to transform this property in exchange for a newly constructed research and technology facility for the Department of Transportation on a portion of the current site. GSA, in conjunction with DOT, plans to select a developer by the end of this calendar year, which will

result in the delivery of new and improved space for transportation research, as well as economic development opportunities and tax revenues for the local community through the conveyance of the underdeveloped portion of this property.

Supporting Implementation of the Administration's National Strategy for the Efficient Use of Real Property

GSA supports the Administration's National Strategy for the Efficient Use of Real Property to reduce the size of the Federal real estate inventory. To assist with this effort, GSA created and enhanced several analytical tools to help agencies identify possible opportunities for disposal, consolidation, and colocation. In addition, GSA improved data quality and user experience in the Federal Real Property Profile (FRPP) by automating validation and verification tools, as well as clarifying several data element definitions.

Last year, GSA deployed the Real Property Management Tool to assist agencies in finding opportunities for consolidations, co-locations, and disposals using data visualization technology. The newest iteration of the tool, launched in January 2016, provides analyses and data visualization focusing on expiring leases and occupancy agreements, the utilization of agency assets, and potential cost avoidance opportunities from the disposal of underutilized and inactive assets. Agencies can also use this tool to view benchmarks such as rent per square foot, operating and maintenance costs per square foot, square feet per person, and compare agency-specific data with Government-wide averages.

Another tool, which GSA launched in June of this year is the Asset Consolidation Tool. This tool allows an agency user to see what Federal space exists in a certain geographic area, such as a zip code, city, county, metropolitan statistical area or mileage radius. This tool assists the user in identifying potential consolidation and co-location opportunities by allowing agencies to make targeted searches for space that other agencies currently occupy in a given area.

GSA, in its Government-wide role, is also continuously working with agencies to improve the quality of agencies' FRPP data by annually reviewing and refining data element definitions with the goal of receiving more accurate and consistent data from agencies. In May 2016, in accordance with OMB policy, GSA issued new mandatory data validation and verification procedures for key FRPP data elements. Agencies will be required to follow these data validation and verification procedures beginning with the FY2016 FRPP data submissions, and then report to GSA how they addressed each data anomaly identified by GSA's automated reviews, improving the accuracy of FRPP data.

The Road Ahead and Opportunities for Improvement

Through active planning, GSA has developed a pipeline of properties which over the next five years are planned for disposals, outleases, transfers, demolitions or exchanges. Since the beginning of 2016, GSA has disposed of over 3 million square feet of unneeded assets. Over the next four years, GSA plans to divest of at least another 10 million square feet of underperforming assets.

While GSA has made significant progress and improvements in managing Federal real property and more aggressively disposing of underutilized assets, there are still a number of long-standing challenges that need to be addressed. These include incentives for Federal agencies to identify and execute disposals, statutory requirements prior to disposal, aligning non-Federal stakeholder interests, costs associated with the disposal process, and remote property locations. GSA is working diligently

with agencies to overcome these hurdles, and working with OMB to assist with its efforts.

Conclusion

GSA is committed to carrying out its mission of delivering the best value in real estate. We are committed to aggressively managing GSA's assets and assisting agencies to right-size their real estate requirements.

I thank the committee for the opportunity to testify today and look forward to answering your questions.

Mr. MICA. Again, thank you.

And we'll hear from our last witness, Assistant Secretary of Agriculture Parham.

Welcome. You're recognized.

STATEMENT OF THE HON. GREGORY PARHAM

Mr. PARHAM. Thank you, Chairman Mica, and thank you to the members of the committee for allowing me to testify today on the Department of Agriculture's efforts to address those properties that have been determined to be excess in the USDA portfolio.

As one of the largest property-holding departments, USDA is well aware of the need to continually improve the management of its land and facilities to maximize the value of these assets for American taxpayers. In fact, the Department, under the leadership of Secretary Vilsack, went as far as establishing a target in its current strategic plan to reduce its overall space holdings. This was the first time that the Department has had such a target, and its inclusion has helped to strengthen USDA's commitment to enhance stewardship of Federal resources, which have been a core principle of Secretary Vilsack's tenure at USDA.

To demonstrate this commitment, the Department has taken a number of actions in recent years related to better management of facilities and the elimination of excess properties. One example worth mentioning, sir, is the recent disposition of the Subtropical Agricultural Research Station in Brooksville, Florida. Between 1929 and 2012, USDA's Agricultural Research Service utilized the Brooksville location to study genetic and environmental interactions in beef cattle.

Upon the closure of this facility in 2012, the Department sought opportunities to dispose of the property in a manner that would be meaningful to the surrounding community. As the property consists of over 3,800 acres of agricultural land and included 19 buildings, there was a tremendous opportunity posed by the potential disposition of the research station.

Fortunately for the Department, Congress also noted the opportunity and provided to USDA special authority to transfer the property at Brooksville and other similar research stations across the Nation to higher educational institutions.

By utilizing the statutory authority, the Department was able to enter into an agreement with Florida Agricultural and Mechanical University. Through this agreement, the Department transferred in October 2015 the entire Brooksville location to Florida A&M, which agreed to use the property to create educational opportunities for beginning farmers and ranchers.

Not only does such an agreement enhance USDA's effort to support the next generation of growers and producers, but it also represented one of the single largest land transfers to one of the 19 historically Black land-grant universities established in the second Morrill Act of 1890. The result of this land transfer has been positive for the university and the farmers that it will serve and has also been a success for the Department.

Despite the successful outcome in the transfer of Brooksville, the Department faces challenges in the disposition of other excess properties across the country. The specifics of such challenges may vary

by location, but the Department has identified some common barriers that limit our ability to move more swiftly to reduce holdings of excess properties.

These barriers primarily result in situations where the costs far exceed the benefits of disposing of unneeded assets. In many cases, the Department must incur significant costs to prepare a facility for disposition. Such costs may include the rehabilitation of a facility to make it commercially attractive or to tear down and remove buildings and structures if land is to be conveyed.

In addition, multiple USDA properties require some level of environmental remediation prior to making the property available for another owner. Such remediation is necessary to abate and clean up hazardous chemicals that were released on the property either through the Department's action decades ago or as a result of actions taken by a prior owner of the property. In some cases, such abatement can cost millions of dollars that must be paid from current funds, creating a challenge in managing budgetary priorities.

Another challenge is the lack of authority for the Department, apart from the Forest Service, to retain any proceeds from the potential sale of excess properties. As the Department may accrue significant costs in preparing a facility for sale, there is tremendous disincentive to dispose of properties when limited or no funding is available to offset the costs incurred.

A further challenge that is common for many USDA excess property locations is that they are often situated in rural, if not remote, locations. As such, the commercial value for facilities in areas far away from population centers means that the demand for such facilities is often low.

One location not located in a remote area in which I am aware that the subcommittee has a keen interest is the Beltsville Agricultural Research Center, or BARC, in Beltsville, Maryland, as you stated earlier. It's a research facility of nearly 6,500 acres located just off the Beltway in the Maryland suburbs of Washington, D.C. This facility houses a number of farm sites and laboratories where USDA conducts research on agriculture practices of benefit to American farmers and ranchers.

As a result of its proximity to Washington, D.C., there has always been a strong interest in exploring opportunities to convert portions of the facility for other uses, which partially explains how the facility is now less than half of the original size.

Within BARC, there are hundreds of buildings and structures, some of which no longer support the mission needs of USDA and have fallen into a state of disrepair due to the lack of resources to maintain or upgrade or demolish the facilities.

Another key factor when considering options for the BARC facility is the current set of restrictions in place that limit the Department's ability to dispose of any portion of BARC. In fiscal year 1988, Congress included a provision in the Department's appropriation legislation that restricted USDA's ability to dispose of any property at BARC. That provision remains in place today. In effect, this restriction requires that Congress approve in advance any transaction that would move property from the BARC portfolio.

Therefore, it would—it should be noted that the legislature in the State of Maryland has also created a statute that limits the use of

BARC land to agricultural purposes or open space should they be transferred out of Federal ownership. As a result, the commercial interest in the BARC lands will be limited due to this restriction.

Lastly, I will mention that the Department has identified at least \$18 million of environmental remediation activities that must occur at various locations at BARC. These costs, combined with the other challenges expressed generally for the Department and specifically for BARC, significantly affect USDA's ability to dispose of any property in Beltsville.

Regardless of these challenges, however, the Department is committed to finding opportunities to improve the management of the Federal excess that it controls. As discussed previously, the barriers that the Department faces when considering how it can dispose of excess properties factor into the cost-benefit analysis done when considering disposal options. The Department is willing to work with the subcommittee and our colleagues in OMB and GSA to identify potential solutions across the country.

I look forward to today's discussion on this important topic of excess property and to answering your questions. Thank you very much.

[Prepared statement of Mr. Parham follows:]

**Statement by
Dr. Gregory L. Parham
Assistant Secretary for Administration, Department of Agriculture
Committee on Oversight and Government Reform, U.S. House of Representatives
Subcommittee on Transportation and Public Assets
September 9, 2016**

Mr. Chairman and distinguished members of the Subcommittee, I appreciate the opportunity to appear before you to discuss the issue of vacant and excess property and how it is addressed by the United States Department of Agriculture (USDA).

As the Subcommittee is aware, USDA provides a wide array of services to the public, including not only agricultural support activities, but also food safety inspections, implementation of conservation techniques on public and private lands, forest fire prevention and remediation, nutrition programs, rural economic development and community support loans and grants, trade facilitation, and research – to name a few of USDA’s on-going activities. These programs and services are delivered through seven programmatic Mission Areas comprised of 17 agencies. These agencies and the Department’s staff offices have a combined staff of nearly 100,000 full and part-time employees that live and work throughout the country to support USDA and its customers.

To facilitate the delivery of this myriad of programs and activities, the Department has an extensive field structure throughout the nation with locations in nearly every county. As of December 2015 the Department had over 42,000 buildings and structures, which includes offices, laboratories, bridges, warehouses, and an assortment of other types of facilities.

USDA occupies approximately 66.7 million square feet of owned, commercially-leased, and General Services Administration (GSA) assigned space and takes a very aggressive stance when it comes to the management of federal resources. Since 2010, the Department has saved nearly \$300 million through improved management of buildings and facilities within the USDA

portfolio. The avoided costs resulted from the cancellation of Agricultural Research Service construction projects as well as a Departmental strategic effort that disposed of or consolidated leases, locations, and underutilized properties, in order to reduce the Department's national footprint.

USDA reports a replacement value of \$49 billion in real property assets, and the total operating and maintenance costs for USDA owned facilities is just over \$600 million, including buildings and structures. Operations and maintenance costs are down over 1.86 percent (or \$21.4 million in current dollars) since 2012. This reduction resulted from USDA's efforts to freeze and reduce its real property footprint. The USDA has made responsible management of its real property footprint a priority.

Across government, excess property is defined as those buildings or structures under an agency's control that have been deemed no longer required to meet the agency's needs or responsibilities. Many of the properties that USDA has designated as excess are specific to the Department's mission, located in remote locations, or situated on Federal land, creating difficulty when it comes to disposal. Furthermore, many facilities deemed excess by the Department are situated on lands that pose certain environmental challenges with regard to transferring ownership to other agencies or the private sector. Between USDA's former laboratories and scientific research facilities and the numerous former Department of Defense locations now located on Forest Service lands, USDA must often conduct hazardous materials assessments and remediation activities prior to disposing of its facilities. There is often substantial cost with environmental clean-up actions, and USDA faces the burden of paying for the clean-up, an excess cost from current budgets.

USDA also faces challenges in managing agency-owned properties that are similar to many other agencies across Government in prioritizing resources, properly disposing of excess properties, and maintaining the safety and security of all property within the Department's portfolio. The Henry A. Wallace Beltsville Agricultural Research Center (BARC) is a prime example of the complexities associated with maintaining Federal property. Located in Maryland, just outside of Washington, D.C., BARC is the home of ongoing agricultural research activities that support USDA's mission. In addition to the plots of land dedicated to growing and studying crops, the BARC facility also includes 622 buildings and structures that house or formerly housed laboratories and other research facilities. The continued maintenance and upkeep of these buildings and structures has proven to be challenging because operating costs continue to increase as the buildings age. Given the increasing maintenance costs and the limited Federal resources available to maintain BARC, the Department is faced with the challenge of having 168 buildings and structures at BARC that are no longer needed and yet cannot currently be disposed. It should be noted that since Fiscal Year 1988, the Department has operated with particular restrictions governing the disposal of facilities at BARC that require Congressional approval to proceed.

Many of the Department's excess facilities face the same complexities as the BARC complex. Not only are there limited resources to maintain facilities, but other costs factor into the Department's ability to dispose of excess property. Such costs include environmental remediation, which can cost almost \$20 million per facility location prior to disposal occurring. The estimated cost for total remediation needs at BARC is \$19 million.

Such costs are further compounded because the Department, apart from the Forest Service, lacks legislative authority to retain the proceeds from the sale of excess real property. As a

result, any costs incurred from preparing property for disposal will be paid by the program agencies of the Department without an ability to capture possible proceeds from disposal to recover those up-front expenditures. Such costs, therefore, provide a disincentive in disposing of excess properties where the immediate costs outweigh the long-term benefits realized by USDA.

Lastly, there is limited interest and commercial value for many of USDA's excess properties due to the location of these facilities. Many of these properties are in remote locations with little or no easy public access or may be situated on Federal lands, requiring the re-location of structures off those lands as a disposal contingency. Closure of USDA county offices also require Congressional approval to proceed. Collectively, these factors make disposal of excess property challenging.

USDA takes the management of its real property portfolio very seriously. Under the leadership of Secretary Vilsack, the Department has sought to decrease the USDA footprint. USDA will continue to decrease its footprint through its commitment to making a yearly 1% reduction in each major building category, including administrative buildings, warehouse space, and other property. USDA will also continue to work with GSA and other partners to find the best and most fiscally-responsible ways to dispose of excess property under USDA's control. Additionally, we are working with GSA and the Postal Service to identify inter-Departmental collocation opportunities and other options to efficiently manage the real estate portfolio.

As part of its proactive strategy, the Department is seeking options for maintaining and modernizing facilities to prevent those facilities from becoming underutilized, ineffective, or unsafe. For instance, the Department is exploring options for modernizing its Headquarters complex to reduce its overall footprint, thereby reducing the Department's operating costs.

In addition, under the guidance of OMB, the Department's partnership with GSA has resulted in more strategic use of space across the nation. Although the Department does maintain a large footprint all across rural America, USDA is seeking opportunities to be good stewards of Federal resources. I look forward to discussing with you today the numerous accomplishments of the Department, and to identifying opportunities where the Department can partner with Congress to find additional improvements.

Thank you again for this opportunity to discuss USDA's successes in managing its real property assets. I am prepared to answer your questions.

Mr. MICA. Well, thank you.

And I thank all of our witnesses. And we'll go right to questions, and I'll start.

Mr. Parham, you're aware that on Tuesday, February 12th, 2013, I visited, along with congressional staff, the Beltsville Agricultural Research Center? Yeah. And we have 6,500 acres there.

It's very nice that you point out what you did in Florida and Brooksville in 2012—that was done in 2015. But I was there, asked to see if we could come up with some plans to do something. I saw office buildings with vines growing over them, empty buildings.

And then, today, the staff reported to me on the huge number of vacant buildings that still exist. I've never seen a plan to do anything about that.

I sent the staff out to see the condition. I didn't get to go.

Have you got that little video?

I haven't seen it yet, so let's see what's there.

[Video shown.]

Mr. MICA. Okay. That one's empty.

Well, that looks pretty good.

That one's empty.

That one's empty.

Uh-huh, yep. Nobody there.

That looks pretty good. That's well-utilized Federal property.

This is one I saw.

There are several of these buildings, structures.

More. It kind of goes on and on.

Have you been out there, Under Secretary?

Mr. PARHAM. Yes, sir. As a matter of fact, I, along with the Administrator for the Agricultural Research—

Mr. MICA. This is the condition of our Federal properties. Looking pretty good, hey?

I hadn't seen it in 3 years. I think we've made a lot of progress—unfortunately, in the wrong direction.

Look at this, members.

This is very valuable. Now, Brooksville—I've been in real estate—maybe you could get \$5,000 an acre. This is worth an incredible amount of money. Not that it has to be commercially developed. It may be well-suited that part of it is a park or a natural preserve.

But this is disgraceful, that we have Federal properties around the country—and the Department of Agriculture—again, went out there, visited, requested that we come up with a proposal. If there are impediments, we need to know. If there's a plan—it's just not acceptable. I'm sorry.

Mr. Gelber, one of the things that we came up with was we proposed—and, actually, one of the predecessors in GSA, I think public buildings officials—we said there are thousands of people who deal with disposing—they're professionals—disposing or evaluating real estate and property and its best use and what you can do with it. And I asked GSA to come up with some sort of a way to bring those folks in, look at properties that we have, and then we could utilize their talents to look at what we had and come up with recommendations.

We started a Federal Real Property Council as a result of that. Are you aware of that?

Mr. GELBER. Yes, sir.

Mr. MICA. And does it still exist?

Mr. GELBER. Yes, sir.

Mr. MICA. Yeah. Well, I met with the members about a year after they'd been put together for that purpose, and very few, just a few million dollars' worth of properties, a handful of properties had actually been handled. Do you know the status of the progress of that?

Mr. GELBER. It's a continuing effort, sir.

Mr. MICA. Yeah, but it's a very—I mean, it's pitiful, the response.

And I have people that were involved in disposing of all of the S&L properties and things, huge numbers of properties, a great talent on that, and they tell me, you know, there's inertia in GSA and the Federal Government.

You've seen the bill that's been proposed. And I think most of you—a couple of you commented, this is what we need to do. This pretty much codifies what we tried to get started, which you could do administratively. Yes, there are some impediments, but, no, again, the efforts have not come to fruition like we would like to see.

Mr. WISE, you've done some inventories, I guess, of public buildings, but we really don't have a complete inventory of Federal buildings that are vacant, do we?

Mr. WISE. No, sir, we don't.

Mr. MICA. No. And some of the worst offenders are the Department of Defense. Well, actually, VA, we have a pretty good inventory; I saw that. But it's pages and pages of vacant properties. Some of you may have cited the difficulty with those properties, because sometimes they're in a complex or sometimes they're in the Rust Belt where we no longer have the veterans to occupy the medical facilities, for example. Is that correct?

Mr. WISE. That can be an issue for sure.

Mr. MICA. Yes.

Mr. WISE. We talked about that, I think, in past hearings. And we mentioned in our statement for the record today that you occasionally, maybe more than occasionally, run into problems. When you have a property that's located, a building on a closed campus—

Mr. MICA. Right.

Mr. WISE. —it has—it will draw a limited amount of interest, just because the accessibility is in issue—

Mr. MICA. Right. But, one, we don't have an inventory of vacant Federal properties or underutilized Federal properties. That's a given. Two, we don't know the condition of the properties we have. And I think you found that in your evaluation. Is that correct?

Mr. WISE. Yes, sir. That gets back to an issue that we've talked about in a number of our reports, and that's the problem dealing with the overall database.

And I think that many of the problems we talk about, when it comes to the Federal real property management, really kind of circle back to that foundational issue, which is there are still problems with having a clearly accurate and comprehensive real prop-

erty database. I know that OMB and GSA have been working hard to try to improve that, but we have still found continuing issues with how agencies reported the data as it cycles back up into the larger database.

And so that's a continuing problem, meaning that, for Federal real property managers, if you don't really know what you've got and what condition it's in, then how do you make rational management decisions.

Mr. MICA. Uh-huh. Well, I heard one of the things that is cited by the administration is they need more money for the repairs and for also this process. But aren't there also the opportunity for public-private partnerships, where the capital can be provided by the private sector who acquires the property?

Mr. Wise?

Mr. WISE. We did a recent report on P3 and found that, while P3s have been very common in the infrastructure world, especially when it comes to transportation and highways, that sort of thing, we did not find many, if any, examples—very few examples of anything going on in the real property world. Theoretically, I think it certainly is a possibility, but we haven't found it to be a reality at this point to any great extent.

Mr. MICA. Well, again, it depends on how you define it. The Trump Hotel, that's a public-private partnership. We're losing \$6 million. We had a Federal Government controlling the building, losing about \$6 million to \$8 million a year. The square footage, 400,000 square feet, half of it empty. A newer annex behind, empty for 15 years. Anybody in the private sector would never let that happen. We did turn it over. We will now be getting a monthly revenue and a percentage, I think, of gross, or whatever the deal is, turning that around. That's an example.

Maybe it isn't a public-private partnership, but we have a public-public partnership, where we turned the property at the Miami-Dade—or the Federal courthouse in Miami turned over to a State institution, a college. A million and a half to keep empty, well, we'll no longer do that.

I mean, we can look for these opportunities, but it's painful, and it takes so long. The property in Miami, again, we just turned over this May, is almost a decade. And going back and forth and up and down. I've worked on just some of the ones we outlined in our report, which is now many years old. And we're resolving on the Cotton Exchange that has gone on, and that that was cited here.

Mr. Under Secretary Parham cited the possibility of the Department of Agriculture with university. But there are opportunities, because we're sitting on incredible Federal assets, all of them costing billions.

Hell, we could—excuse me, I won't say that. Heck, we can take the income, the revenue, just from these properties and turn it over. They say Congress isn't funding. Well, the opportunities are there with public-private partnership, public-public partnership, and also assets, maximizing them and getting a return.

We've actually made money tearing down, since our hearing at the Cape, some of the buildings and selling some of the unused material for scrap, which we've made money and cut our costs of maintenance and security because the building's gone.

I mean, it just goes on and on. Nobody in the Federal Government seems to be very creative in this.

There have been some attempts by OMB in expanding, again, the number of square feet. And you told me you're targeting now 61 million square feet for the future? Is that—

Mr. MADER. Yes, sir, for 2016 through 2020, 61 million square feet of just office and warehouse space, because that, we feel—

Mr. MICA. Good.

Mr. MADER. —is really where significant savings are.

Mr. MICA. And then the President's initiative, which I support, better utilization of existing space. Been working with you on the FTC building, consolidation of that into the Department of Commerce building, and then utilization of the old FTC building as a National Gallery rent space. And you have a huge amount of rental space with the FTC.

Just a question: With the FTC in the new leased space—it's the Constitution building, I believe. That lease that GSA had gotten into was a million square feet. And the lease was botched, the lease acquisition was botched, as I recall, and the courts ordered GSA to honor the lease, which moved part of the FTC in. And that's several years back now.

That lease expires, and I would like to see what we can do in consolidating some of that space in the Constitution building along with the existing space that's being utilized in the old FTC building into the Department of Commerce, of which we're renovating a million square feet. But there are no final plans for about 200,000-plus square feet, where we could have a consolidation.

And, particularly, if you could report back to me, too, eliminating some of the duplicate spaces that are utilized in the buildings—child care; one important one is data centers; auditorium; and conference space—I would appreciate it. And I'll ask the staff to follow up with a specific line of questions.

Can you help us, Mr. Gelber?

Mr. GELBER. Yes. We'd be happy to work with your staff on that.

Mr. MICA. Thank you. Thank you.

I have other members.

Did you want to go next, Mr. DeSaulnier?

Mr. DESAULNIER. I just wanted to make a comment that I'm supportive of what the chairman is after here. In my experience in California, both the local and State level, we have the same problems.

And one question to Mr. Wise is, as you look at this, how you look at developing best practices for us, but you interact with the State and local agencies who, because of things like the McKinney Act, have a relationship with what we do with this property.

So, in one instance, in my district, over 20 years ago we worked out an agreement to transition some property to the police department, the sheriff's department, and the fire department for a public safety training facility. The local community is very supportive because we're taking it out of residential areas and putting it on, to be fair, what was an old military base, so it was part of the BRAC process but it was somewhat hyphenated.

So, 20 years later, I still get comments about, when are we going to move in? So that interaction between other levels of government,

since it's already in the statutes, and how you may recommend to us how we could change that.

And then, secondarily, just, I mean, California, when we were in the recession, because we were unprepared in the General Services Department—you may recall the Schwarzenegger administration had a deal to sell five or six very large pieces of property, State property, in San Francisco and Los Angeles and lease it back. And when the legislative analysts came back with the analysis, it was such a horrible deal, even though at that time we were issuing IOU warrants because of our cash flow problem, we didn't do it. And thank goodness we didn't.

But it's an illustration of where, if all levels of government were acting with best practices—and the intersection, given the recession, is a very extreme example, but these things aren't consequences, as the chairman says, where there's just a lost opportunity. There is a process. There is the possibility for real crisis and opportunity. So I think it would be a great thing that we stay on this and make sure that we develop these best practices.

But to Mr. Wise, maybe you could just elucidate a little bit about what you're doing to interconnect the dots with State and local government.

Mr. WISE. Well, overall, I can't really comment too much on the State processes for dealing with State property that's—

Mr. DESAULNIER. No, I mean, the interaction with the Federal Government.

Mr. WISE. Yeah. Well, State and local governments are obviously part of the screening process. As you know, under the current legislative framework, any Federal property that an agency decides is no longer needed goes through the screening process, to include, as you alluded to, the McKinney-Vento for homeless, State and local governments, as well as, you know, other public entities.

There can be complications to these things. You've got local stakeholders, you've got historical preservation, you've got environmental issues that all come into play. This is why, as I think the chairman talked about and as we mention in our statement, some of the legislative reforms, we think, could be helpful in getting towards dealing with some of these problems.

But, overall, the current situation is—it can be a cumbersome—I think as you discuss in your question, it's a very cumbersome process, and—

Mr. DESAULNIER. So my question was more to—is more encouragement—so it may be more rhetorical, from what I'm getting from your response—is the encouragement to us to work with State and local agencies and their organizations here in D.C. Because what we all get, I think, when we go back to our districts or when we talk to our local government is, whether it's a perception or it's a reality, but I think it's a little bit of both, they don't want to deal with it because it's too cumbersome.

Mr. WISE. Yeah.

Mr. DESAULNIER. So there are lost opportunities for all of the entities there within the statutes and just because the perception of the bureaucratic process is too difficult.

Mr. WISE. Yeah.

Mr. DESAULNIER. So I know you're considering that as you go along, but however we can facilitate that conversation I think would be helpful.

Mr. WISE. No. Thank you. That makes a lot of sense.

I can give you one concrete example where the process did work quite well. In the town where I grew up in south-central Pennsylvania, there was a new courthouse built across from the old courthouse. Now, the city government was way, way expanded beyond what it could absorb in the old city hall, which had been built in the 1920s. So what happened? The old courthouse, through public conveyance, went to the city government. Many offices scattered all over town—water department, housing department, et cetera, et cetera, traffic department. All were able to come in after that building was renovated to then be able to get away from all these leases and the extra expenses they entailed.

So there was an example where the city was able to get a public conveyance and it turned out to be, I think, pretty good public policy. So hopefully that can—I understand the problems you're getting at, but sometimes the system does work to the benefit of the taxpayers.

Mr. DESAULNIER. We want that to be more the norm rather than the exception, which is what the perception is, I think.

Mr. WISE. Okay.

Mr. DESAULNIER. So when you can point out examples of that in an area that the land cost is very expensive, that's a perfect thing, where if all of these agencies are working together, it's in the best interests of the taxpayers.

Mr. WISE. Sure.

Mr. DESAULNIER. Thank you.

Mr. WISE. You're welcome.

Mr. DESAULNIER. Thank you, Mr. Chairman.

Mr. MICA. Thank you.

And, again, a lot of what we do, sometimes we get into some pretty tough stuff, and they go back and forth in this committee, and some of it's partisan. This is meat and potatoes, this is—you know, we have the potential for saving billions of dollars, and we are trillions in debt. This isn't very glamorous. But just look at the progress we've made. We've had to hammer away, but I thank you. The bipartisan cooperation has been very effective in moving this forward.

I started out one time with, I think, like, 16,000. That was the number we had initially identified, just under GSA, of vacant or underutilized properties. And I think when we did the first hearing, I crossed it out and we put 15,999. Well, we're going down the list. That's a tough way to do it.

This bill, though—and you weren't here earlier; I had it made part of the record—is a bipartisan effort. Passed the House and is now in the Senate. And it does all the things we're discussing here—streamlining some of the disposal process, giving you the tools that you need to do this. So we can make progress.

With that, Mr. Grothman, our vice chair.

Mr. GROTHMAN. Right. Interesting topic. I'd like to thank the chairman for bringing it up.

What we're told here is right. We have about 7,000 Federal properties—and I take it these are just Federal buildings, not vacant properties—7,000 properties that are unutilized or underutilized. Just GSA. Amazing. Amazing, amazing, amazing. Waste money, waste money, waste money.

And how many of those buildings—and somebody give me a shot at guessing—how many of those buildings, like we saw up here, are just, in essence, abandoned? I mean, every year, the value of the properties drop because they're not keeping up the electrical or even repairing the windows? Does anybody have an opinion on that? Give me a shot?

Mr. Wise?

Mr. WISE. We don't have any—the numbers that exist are numbers that are, I think, developed by the administration. So I think the question probably should be directed at the administration.

Mr. GROTHMAN. Is it unusual to have buildings in which we just let them—even let windows break and let, you know, the rain come in? Is this a common thing?

Mr. WISE. Well, it certainly is existing in Beltsville, as the video showed, and there have been other cases where we have seen—when we did some work a few years ago looking at—it was actually work looking at the accuracy of some of the FRPP data, we saw some places, especially in, I can recall, in one of the national parks that we saw some kind of abandoned huts and little buildings that—I think some of the problem to do with that, sir, is that—and I think this was discussed in some of the previous statements—is that the cost to deal with these things is sometimes greater than just letting them go—

Mr. GROTHMAN. Okay.

Mr. WISE. —because they don't have a use for it, and you've got—

Mr. GROTHMAN. Thank you.

Mr. WISE. —environmental issues to deal with and no money for demolition—

Mr. GROTHMAN. Great.

Mr. WISE. —and to take care of them.

Mr. GROTHMAN. When is it determined—I mean, how long does a building have to be vacant before it's determined we better sell this thing?

Mr. WISE. That's up to the individual agencies, I think.

Mr. GROTHMAN. In general?

Mr. WISE. I would probably defer on that question since it's not something that we've really looked at in any detail.

Mr. GROTHMAN. Okay.

Once it's determined that we ought to get rid of a building, how long does it take to get rid of it?

Mr. WISE. Well, again, it could take years. And, as we mentioned, under the current legislative framework, there's a pretty complicated process that needs to go forward, including all the issues to do with public conveyance. You've got issues to do with environmental—

Mr. GROTHMAN. You don't have a guess? Is there an average you can think off the top of your head?

Mr. WISE. It just ranges. It can be quick, or it can take years. I mean——

Mr. GROTHMAN. What does “quick” mean?

Mr. WISE. Sorry?

Mr. GROTHMAN. What does “quick” mean?

Mr. WISE. Well, quick could be anywhere from a few months to a number of years. I mean, there’s no discernible pattern that I know of.

Mr. GROTHMAN. Okay. One thing that sticks out when I look at this, first of all, you’ve got to give a shot to the State and Federal Government; then you’ve got to do something or other to see if the homeless need it.

Mr. WISE. Right.

Mr. GROTHMAN. I don’t understand the purpose of either one of those. I mean, it seems to me, if I have a building and I want to sell it, I don’t say, first of all, I’ve got to call the local city and see if they want it and I’ve got to call the local homeless shelter and see if they want it.

Is there any reason we shouldn’t get rid of both of those, what I look at as just wasteful things?

Mr. WISE. Well, that’s up to Congress because that’s the current legislative framework.

Mr. GROTHMAN. I know that’s what it is, but do you see any benefit?

Mr. MADER. You need——

Mr. GROTHMAN. Mr. Mader, you——

Mr. MADER. Congressman, you need to change your legislation, and that’s what we’ve been——

Mr. GROTHMAN. Well, I know, I know, I know.

Mr. MADER. I know, but—and that’s what the proposed legislation from the House does.

Mr. GROTHMAN. It looks like they’re still keeping this homeless thing. And I’m not sure, are they still keeping——

Mr. MADER. What we’ve been working with Chairman Chaffetz and the House is in streamlining it, because there is a value to availing these properties for use for the homeless. What we’ve been trying to do is to actually streamline that process.

Mr. GROTHMAN. What’s the value? I mean, if I have a house and I want to sell it and I want to get out the best I can, you know, if the local homeless shelter or the local city want the property, they can bid on it or contact my broker.

Mr. MADER. Under the legislation—you know, to Mr. Wise’s comment, and I’ll ask Mr. Gelber to talk more about it—the public conveyances, they’re not paying for it. It’s actually being transferred to them, similar to the example that our friends from Agriculture gave.

So, again, you know, I have to reemphasize, as frustrated as the members are and the chairman, I’ve been doing this for 2 years since I came to the administration. I’m frustrated, too, that we can’t get the House and Senate to agree on legislation that everybody agrees on: that we need savings coming back to do more disposals, we need McKinney-Vento streamlined. I mean, we’re as frustrated as you are, sir.

Mr. GROTHMAN. As I understand, it's being held up, what, in the Democratic cloakroom on the Senate side? Is that what's going on now? I think. That's what somebody told me.

In your experience, when you deal with these—another thing. We have these 7,000 properties here. Of those, how many, if you bought the property, about, do you think you'd buy the property for the land, and how many do you think the building still has value?

And I think there are many, many buildings that don't have value. I mean, you let a building go for 5 years, 6 years, particularly if the thing was built 50 or 70 years ago in the first place, my guess is usually the land is more valuable than the building.

But do you know how many of these 7,000 buildings have value apart from the land?

Mr. MADER. I don't have that level of detail.

Mr. GROTHMAN. Could you guess wildly? Half?

Mr. MADER. I wouldn't even hazard a guess.

Mr. GROTHMAN. Okay.

Kind of shameful. Well, we'll go ahead with—give the remainder—I guess I've used up my time. So we'll let the chairman—

Mr. MICA. Thank you, Mr. Grothman.

We'll now recognize Mr. Massie.

Mr. MASSIE. Thank you, Mr. Chairman.

I actually heard some good ideas here. I did hear some creativity. I wanted to follow up on that.

Mr. Mader, you said something that sounded pretty catchy to me, "Freeze the Footprint." Can you tell me more about that? Is that a policy or a statutory thing? Or how are you pursuing that?

Mr. MADER. Congressman, as I mentioned, in 2012—and a lot of this was driven at the time by the decreasing budget, and I think agencies have recognized that there's value in addressing their real property program. And so we said in 2012—and it became effective in fiscal year 2013—it's like, okay, nobody—these are DOD and civilian agencies—nobody will increase their footprint with office and warehouse space.

And, as I mentioned—

Mr. MASSIE. Let me ask just quickly, does that mean owned footprint or also leased?

Mr. MADER. No, leased too.

Mr. MASSIE. Okay.

Mr. MADER. So leased too. So, basically, we overachieved. You know, not only did we freeze it, but we actually reduced it by the 24.7 million square feet.

And then we said, look, that was a one-time event; what we need is a management strategy to go forward. We need agencies to manage these assets in an aggressive way. So, hence, the national strategy, which required each of the agencies to prepare this 5-year plan.

Now, a component of that 5-year plan was, oh, and also, by the way, tell us how you're going to reduce your inventory of office and warehouse space. And we required that those plans be signed by the deputy secretaries of every Cabinet-level department.

And, this past summer, we actually went out and did an on-site review with each of those agencies to talk about, you know, how

are you progressing against the goals that you set? What are the obstacles?

So I think, Congressman, we've put in place a good management practice going forward. And, again, as I said, this is a rolling plan. So 2016 to 2020, great. Now we're getting 2017 through 2021.

Mr. MASSIE. It sounds so good to me, I'd like to put it in statute. And I think people would get creative, more creative, within the government when they needed to expand somewhere and there had to be some sort of conservation of mass, if you will, where, okay, before we can do this—and we need to do this, and we want to do this—we've got to find some property and solve the problems that have been articulated here, we've just got to bust through and solve these problems, whether it's legal or statutory requirements like Mr. Wise talked about—I know in my district there's some VA buildings that used to be housing for officers in the military a long time ago, but we've got all these historic requirements, lead abatement, asbestos abatement.

Mr. Wise, what sort of statutory things could we do to bust through those problems? Because you end up with a situation where you've got real estate and it's valuable to the city or to developers there, but once you impose all the constraints on it, its value is below zero sometimes.

Mr. WISE. Well, one of the things that I think has been an ongoing concern is that—and I think you kind of hint at that in your question—is that you get a lot of stakeholder issues that come into play when you talk about what to do with a conveyance or what to do with a certain property. And as I think Mr. Mica talked about and Mr. Mader also talked about, some of the recent legislation that has passed the House could, to some degree, I think, address some of these things.

For example, you know, the Federal Asset Sale and Transfer Act that was passed this year, that act, one of the things that it does is it bundles properties together. So that helps mitigate the individual stakeholder interests that come from the local business or the local government or all these other groups that can come in—tribal groups, State and local groups—that can then end up really kind of jamming up the process or they'll get involved in public hearing court cases of one sort or another that can really slow things down.

But if the properties are bundled together for a congressional decisionmaking, then that helps mitigate some of these stakeholder influences. And we think, from what we can see from the legislation, that would be a step forward in helping to help smooth out the process.

Mr. MASSIE. So it may take an act of Congress, or an act of Congress could help—

Mr. WISE. Well, there's been—

Mr. MASSIE. —get it right?

Mr. WISE. Yeah, there's been reform legislation going back—I mean, I've been working on these issues I guess for about 8 years—

Mr. MASSIE. But, I mean, what I heard you say is, instead of sort of general reform, just start a list of properties and we, you know,

write them down here in Congress and put them legislatively, okay, we're going to bundle this and—

Mr. WISE. Yeah, well, the current framework is what it is. And so we see the results of that. And, to some degree, I think, as the chairman's pointed out, there's bipartisan support to look for reforming that process in order to make it more efficient. And there's been a number of bills—and we can go back to—I think you talked about this, Mr. Chairman, your bill, Mr. Denham and you, with H.R. 1734, back about 5 years ago, that had some of the similar characteristics of the 2016 act.

So I think there's definitely congressional recognition. Unfortunately, none of these reform bills have been able to get passed by both the House and the Senate. They've all passed the House, but they've gotten stuck in different places in the Senate for various reasons. And so that's been one impediment to trying to enact reforms in how the government should or could manage its real property portfolio.

Mr. MASSIE. Mr. Chairman, would you indulge me for 1 more minute?

Mr. MICA. Oh, take your time. We have plenty of time this morning.

Mr. MASSIE. The final thing that I wanted to talk about—this has been touched on, I think, by most folks here—is getting an accurate inventory of this is really important. I think if we get rid of the logjams and we set up the incentives the right way and then introduce this clearinghouse, this database, that the private sector will be farming that, you know, they'll be mining that list continuously.

And that's why, Mr. Gelber, I was excited when you mentioned working on software to locate this inventory. You putting your constraints, almost like a search engine, it sounds like. That would be extremely valuable, particularly if the database is accurate, if the database lists the constraints on each of the properties, you know, in a consistent way across all of the various departments, and if it's available to the public.

The first thing is I want for it to be available to Congressmen so each of us could go into that software and look and say, okay, here's something I need to go visit in my district, and then go talk to the local stakeholders, try and anticipate some of these court cases or whatever that may come up.

But, anyway, can you tell us about that software and a little bit about the challenges in developing it and where you're at with it right now?

Mr. GELBER. I would be happy to, sir.

As with any database, one of the key issues is the accuracy of the data. And we are working with our colleagues across the executive branch to ensure that data is as accurate as possible. We have instituted several verification and validation tools that would identify anomalies in the data. Then we can go back to agencies and ask questions about a particular property or a particular set of properties that, for one reason or another, the numbers just don't seem to add up properly for other types of properties that are similar to that around the country.

In addition, we're allowing agencies to use the data to analyze both their own inventory but compare their inventory to other Federal agencies to see if, in fact, their operating and maintenance costs are higher or lower than other agencies, if the utilization of a particular property is not as efficient as it could be, when a particular lease would end, and then, using that information, reach out to other Federal agencies in a particular community to say, "We have a property that you might be interested in," or, as an agency, "I'm looking for space in this community. You have a property that we may be interested in."

And so these tools, as you mentioned, are very similar to the traditional search types of tools that you see in the commercial marketplace that allow people to mine data and look at data to more effectively make decisions.

Mr. MASSIE. I mean, if it's an open dataset, I can almost imagine a start-up that would write that app for you because of the incentives, if we had the incentives set up right. There are probably 10 start-ups dealing with, you know, finding and helping transfer property—if there's some financial incentive. Now, if they're just going to turn it over to the city or the county or local law enforcement, there may not be that financial incentive.

But, anyway, I would love to be a beta-tester for that software if you'll let Congress beta-test that before you go live, understanding it's going to have a lot of glitches and stuff. I think it'd be a helpful tool for our staff to go in and try and anticipate some of these places.

Mr. GELBER. That's something we're reviewing at this point. There are still questions about some of the data may not be appropriate to share with the public in general.

Mr. MASSIE. Correct.

Mr. GELBER. And as we go through this process of evaluating information and using information, we want to make sure that, as we share information, it's shared for good, if you will, but that actors who may not be as predisposed to—you know, hoping the government makes good decisions, but using that information for other purposes, we want to make sure that we don't share the data inappropriately at this point.

So it's something we're reviewing and discussing within the executive branch as well as with Congress.

Mr. MASSIE. All right. Well, thank you very much.

I see the chairman was very generous. I'll yield back the time I don't have.

Mr. MICA. I thank you, Mr. Massie. And we'll work with you on trying to get ahead of that IRS possible departure from your district, because I'm sure they have a huge footprint as far as square footage and space and then a huge economic impact.

Mr. MASSIE. If I can talk to that, it's an enormous footprint. It's two city blocks, a single-story building, surrounded by private development, which is, you know, much taller buildings and parking.

And, like I said, I want to reiterate we'd love for the IRS to stay. We'd love for them to find some other use for that building. But, sort of, my foreboding sense is that I could—maybe one day I'll be in Congress as long as you, Mr. Chairman, and I'll be sitting in

that seat asking some witnesses 20 years later why this single-story building's got vines on it. So I want to prevent—

Mr. MICA. Well, again—

Mr. MASSIE. —that dystopian future.

Mr. MICA. —and just as some institutional advice for being here, if you see this coming and you can work with these agencies—and you had Mr. Mader talking about, well, we have need for placing Federal agencies in square footage, and it all doesn't have to be in Washington, D.C.

Here is an example—I don't know your square footage—where you could work in anticipation of transition to another agency that doesn't have to be here. They want to spend an incredible amount of money on relocating all of Homeland Security in one location. It kind of reminds me of putting all the western fleet at Pearl Harbor. But some areas that don't need to be right in the capital center here may have a reuse capability.

Again, I think you can sometimes get ahead of this, but you have to do an inventory because there are all these separate entities operating independently. Getting with GSA, finding out what the property needs are, OMB and maybe others, and identify, and maybe transitioning in a smoother fashion and utilizing some fairly valuable property that probably in your locale could be operated a lot less also as a square-footage cost, employment cost, the whole realm, for saving the Federal Government and saving your community.

So just a little advice.

I worked on the closure of a Veterans medical complex in my community. And we got them to keep part of it open, and then they had to do an assessment. But I wrote them 5 years ago, and I said, "Hey, this is going to become empty when we open the new one. Let's have a plan." But I'll tell you, it always don't work that way. We are still repurposing, and we are into having already the new facility open, have a vacant 120-bed nursing home vacant, which I just turned over to the State of Florida from the Federal Government because they can open it and operate it faster.

So you can get ahead of these things. I mean, again, I'm just trying to help you, Mr. Massie, and that is certainly a big responsibility in your district. So words of advice, whatever they're worth.

Mr. MASSIE. Thank you, Mr. Chairman.

Mr. MICA. And the same thing with Mr. DeSaulnier. He pointed out some things. He reminded me that we had been up to New York and looking at some projects, the old post office there, which is being converted now.

And I thank you.

He helped call attention. We had been up there many times for a post office that had been vacant for 30, 40 years, will now be a center of commerce, a station, at a fraction of the cost and with a public-private partnership. That property got turned over, I think, to the New York Development Authority, but still a lot of Federal responsibility in that project.

So those are some of the things—Mr. DeSaulnier, did you have anything else?

Mr. DESAULNIER. No, I just—that also is an example of one of the most valuable pieces of property in the United States sitting

there being not used, underused, for 20 years, where there was a general interest in doing something positive about it. So, to the degree that we can get on top of those things—and I know you're trying to—that would be beneficial.

Mr. MICA. And this bill certainly will help. And you cited that legislation we've struggled with here, so hopefully we can get our Senate colleagues to act on that.

Just two quick updates, Mr. Gelber. Okay, the Coast Guard we had located over here on the waterfront, and they moved into their new building, when was it, at the new location?

Mr. GELBER. I believe they moved in in late 2014, possibly the beginning of 2015.

Mr. MICA. So 2014, 2015?

Mr. GELBER. That's my understanding. We can get the exact dates to your staff.

Mr. MICA. And they're fully moved, right?

Mr. GELBER. They're currently out of the locations that they were in previously, in the—I believe it's referred to as the Buzzard Point area of Washington, D.C.

Mr. MICA. Yes. And what's the status of that property?

Mr. GELBER. That property is a leased facility, so it's owned by a private entity. And so I don't know—

Mr. MICA. Is it vacant?

Mr. GELBER. I don't know, sir.

Mr. MICA. I think it's vacant.

Mr. GELBER. As I said, it's owned by a private entity and not in the inventory.

Mr. MICA. I know, but I think you're paying a lease on it. Can you let us know the status of that?

Mr. GELBER. We can, sir. I believe—

Mr. MICA. Yeah. Here's an example of one coming vacant. I'm pretty sure it's been vacant since at least the beginning of last year, and I think we're still paying rent on it. Sometimes we don't plan these things very well.

Then can you give, also for the committee and the staff, I want an update on that building. And then, let me see, we've got an—oh, what's the latest and greatest on the FBI building?

Mr. GELBER. That's a procurement that's currently in process. Bids have been submitted to the government, and we're currently reviewing those bids, sir.

Mr. MICA. Uh-huh. And have they narrowed it to one of the States? I think it was between Maryland and Virginia. Or is it still open competition?

Mr. GELBER. The actual site selection will be part of the award of the contract, and that has not occurred yet.

Mr. MICA. Okay. Maybe you could just give us that in writing too. I like to keep up with these things, and then we put a date on them, a response from the committee, and then we can come back, or whoever is in charge, and make certain that we're making progress and we've documented where we are and where we need to go.

Well, there being—Mr. Massie, did you have anything else?

Thank you.

There being no further business before the subcommittee today, I would like to thank our witnesses for participating. I look forward to working with you. You have an important responsibility. We could save billions of taxpayer dollars. We can make idle Federal assets very productive and a good return for the taxpayer.

So, with that, there being no further business, this subcommittee hearing is adjourned. Thank you.

[Whereupon, at 10:50 a.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

**Opening Statement
Ranking Member Tammy Duckworth**

**Hearing on “Vacant Federal Properties”
Subcommittee on Transportation and Public Assets**

September 23, 2016

Thank you, Mr. Chairman, and thank you to our witnesses for being here today.

Today’s hearing is an important opportunity to assess the progress the federal government has made in longstanding challenges related to real property management and disposing of excess properties.

Due to evolving mission needs and technological advances such as internet-based service delivery and employee telework, agencies have accumulated a large number of excess, underutilized, and unutilized properties.

These buildings often languish in the federal inventory instead of generating much-needed revenue. Maintaining unneeded federal property costs the American taxpayers billions of dollars.

The Government Accountability Office (GAO) has designated federal real property management as a high risk area since 2003, in part because of the number and cost of excess properties.

As a member of the House Armed Services Committee, I have seen firsthand how agencies like the Department of Defense can realize significant cost savings through reductions in excess property, and also the challenges that agencies face in the disposal process.

This is not a new issue for this Committee or for this Congress. Several hearings have been held by this Committee over the years and the same challenges to real property management and the disposal of excess property are repeatedly identified.

These obstacles include a lengthy statutory disposal process, the cost of preparing properties for disposal, conflicts with stakeholders, and a lack of accurate data.

I'm happy to see that despite these longstanding challenges, this Administration has made real progress on this issue. For example, in March 2015, the Office of Management and Budget issued a *National Strategy for the Efficient Use of Real Property*. This strategy responds to a priority GAO recommendation, and GAO has said that it is a "major step forward".

In fiscal year 2015, the federal government disposed of 4,900 properties, with an estimated annual cost savings of \$46.1 million.

While there has been progress, challenges remain. Too many buildings remain underutilized or unused at significant cost to the taxpayer.

The Committee has toured vacant U.S. Department of Agriculture (USDA) facilities, and I'm looking forward to hearing about USDA's plans to dispose of and consolidate vacant properties across their portfolio and how Congress can support those initiatives.

We can always do better. That's why I am glad this Committee endorsed the Federal Asset Sale and Transfer (FAST) Act, which would direct the establishment of a six-year commission of experts to recommend the disposal or consolidation of federal properties. This much needed legislation passed the House, and is now awaiting further action in the Senate.

I look forward to hearing from our witnesses about other steps Congress can take to address the challenges the government faces in property disposal; as well additional steps the Administration can take to address the remaining challenges. This problem requires a joint approach, with Congress and the executive branch working collaboratively together to solve.

Thank you, Mr. Chairman.

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 (Original Signature of Member)

114TH CONGRESS
 2D SESSION

H. R. _____

To decrease the deficit by consolidating and selling Federal buildings and other civilian real property, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DENHAM (for himself, Mr. CHAFFETZ, Mr. SHUSTER, Mr. CUMMINGS, Mr. DEFazio, Mr. BARLETTA, and Mr. CARSON of Indiana) introduced the following bill; which was referred to the Committee on

A BILL

To decrease the deficit by consolidating and selling Federal buildings and other civilian real property, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Federal Assets Sale and Transfer Act of 2016”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

Sec. 2. Purposes.

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Sec. 3. Definitions.
 Sec. 4. Board.
 Sec. 5. Board meetings.
 Sec. 6. Compensation and travel expenses.
 Sec. 7. Executive Director.
 Sec. 8. Staff.
 Sec. 9. Contracting authority.
 Sec. 10. Termination.
 Sec. 11. Development of recommendations to Board.
 Sec. 12. Board duties.
 Sec. 13. Review by OMB.
 Sec. 14. Implementation of Board recommendations.
 Sec. 15. Authorization of appropriations.
 Sec. 16. Funding.
 Sec. 17. Congressional approval of proposed projects.
 Sec. 18. Preclusion of judicial review.
 Sec. 19. Implementation review by GAO.
 Sec. 20. Agency retention of proceeds.
 Sec. 21. Federal real property database.
 Sec. 22. Streamlining McKinney-Vento Homeless Assistance Act.
 Sec. 23. Additional property.

1 SEC. 2. PURPOSES.

2 The purpose of this Act is to reduce the costs of Fed-
 3 eral real estate by—

- 4 (1) consolidating the footprint of Federal build-
 5 ings and facilities;
- 6 (2) maximizing the utilization rate of Federal
 7 buildings and facilities;
- 8 (3) reducing the reliance on leased space;
- 9 (4) selling or redeveloping high value assets
 10 that are underutilized to obtain the highest and best
 11 value for the taxpayer and maximize the return to
 12 the taxpayer;
- 13 (5) reducing the operating and maintenance
 14 costs of Federal civilian real properties;

1 (6) reducing redundancy, overlap, and costs as-
2 sociated with field offices;

3 (7) creating incentives for Federal agencies to
4 achieve greater efficiency in their inventories of civil-
5 ian real property;

6 (8) facilitating and expediting the sale or dis-
7 posal of unneeded Federal civilian real properties;

8 (9) improving the efficiency of real property
9 transfers for the provision of services to the home-
10 less; and

11 (10) assisting Federal agencies in achieving the
12 Government's sustainability goals by reducing excess
13 space, inventory, and energy consumption, as well as
14 by leveraging new technologies.

15 **SEC. 3. DEFINITIONS.**

16 In this Act, unless otherwise expressly stated, the fol-
17 lowing definitions apply:

18 (1) ADMINISTRATOR.—The term “Adminis-
19 trator” means the Administrator of General Serv-
20 ices.

21 (2) BOARD.—The term “Board” means the
22 Public Buildings Reform Board established by sec-
23 tion 4.

24 (3) CERCLA.—The term “CERCLA” means
25 the Comprehensive Environmental Response, Com-

1 pensation, and Liability Act of 1980 (42 U.S.C.
2 9601 et seq.).

3 (4) FEDERAL AGENCY.—The term “Federal
4 agency” means an executive department or inde-
5 pendent establishment in the executive branch of the
6 Government, and a wholly owned Government cor-
7 poration.

8 (5) FEDERAL CIVILIAN REAL PROPERTY AND
9 CIVILIAN REAL PROPERTY.—

10 (A) IN GENERAL.—The terms “Federal ci-
11 vilian real property” and “civilian real prop-
12 erty” refer to Federal real property assets, in-
13 cluding public buildings as defined in section
14 3301(a) of title 40, United States Code, occu-
15 pied and improved grounds, leased space, or
16 other physical structures under the custody and
17 control of any Federal agency.

18 (B) EXCLUSIONS.—Subparagraph (A)
19 shall not be construed as including any of the
20 following types of property:

21 (i) Properties that are on military in-
22 stallations (including any fort, camp, post,
23 naval training station, airfield proving
24 ground, military supply depot, military

1 school, or any similar facility of the De-
2 partment of Defense).

3 (ii) A base, camp, post, station, yard,
4 center, or homeport facility for any ship or
5 activity under the jurisdiction of the Coast
6 Guard.

7 (iii) Properties that are excluded for
8 reasons of national security by the Direc-
9 tor of the Office of Management and
10 Budget.

11 (iv) Properties that are excepted from
12 the definition of the term “property”
13 under section 102 of title 40, United
14 States Code.

15 (v) Indian and Native Alaskan prop-
16 erties, including—

17 (I) any property within the limits
18 of an Indian reservation to which the
19 United States owns title for the ben-
20 efit of an Indian tribe; and

21 (II) any property title that is
22 held in trust by the United States for
23 the benefit of an Indian tribe or indi-
24 vidual or held by an Indian tribe or

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1 individual subject to restriction by the
2 United States against alienation.

3 (vi) Properties operated and main-
4 tained by the Tennessee Valley Authority
5 pursuant to the Tennessee Valley Author-
6 ity Act of 1933 (16 U.S.C. 831 et seq.).

7 (vii) Postal properties owned by the
8 United States Postal Service.

9 (viii) Properties used in connection
10 with Federal programs for agricultural,
11 recreational, or conservation purposes, in-
12 cluding research in connection with the
13 programs.

14 (ix) Properties used in connection
15 with river, harbor, flood control, reclama-
16 tion, or power projects.

17 (x) Properties located outside the
18 United States operated or maintained by
19 the Department of State or the United
20 States Agency for International Develop-
21 ment.

22 (6) FIELD OFFICE.—The term “field office”
23 means any Federal office that is not the head-
24 quarters office location for the Federal agency.

1 (7) HUD.—The term “HUD” means the De-
2 partment of Housing and Urban Development.

3 (8) OMB.—The term “OMB” means the Office
4 of Management and Budget.

5 (9) VALUE OF TRANSACTIONS.—The term
6 “value of transactions” means the sum of the esti-
7 mated proceeds and estimated costs, based on the
8 accounting system developed or identified under sec-
9 tion 12(e), associated with the transactions included
10 in Board recommendations.

11 **SEC. 4. BOARD.**

12 (a) ESTABLISHMENT.—There is established an inde-
13 pendent board to be known as the Public Buildings Re-
14 form Board.

15 (b) DUTIES.—The Board shall carry out the duties
16 as specified in this Act.

17 (c) MEMBERSHIP.—

18 (1) IN GENERAL.—The Board shall be com-
19 posed of a Chairperson appointed by the President,
20 by and with the advice and consent of the Senate,
21 and 6 members appointed by the President.

22 (2) APPOINTMENTS.—In selecting individuals
23 for appointments to the Board, the President shall
24 consult with—

1 (A) the Speaker of the House of Rep-
2 resentatives concerning the appointment of 2
3 members;

4 (B) the majority leader of the Senate con-
5 cerning the appointment of 2 members;

6 (C) the minority leader of the House of
7 Representatives concerning the appointment of
8 1 member; and

9 (D) the minority leader of the Senate con-
10 cerning the appointment of 1 member.

11 (3) TERMS.—The term for each member of the
12 Board shall be 6 years.

13 (4) VACANCIES.—Vacancies shall be filled in
14 the same manner as the original appointment.

15 (5) QUALIFICATIONS.—In selecting individuals
16 for appointment to the Board, the President shall
17 ensure that the Board contains individuals with ex-
18 pertise representative of the following:

19 (A) Commercial real estate and redevelop-
20 ment.

21 (B) Space optimization and utilization.

22 (C) Community development, including
23 transportation and planning.

1 **SEC. 5. BOARD MEETINGS.**

2 (a) OPEN MEETINGS.—Each meeting of the Board,
3 other than meetings in which classified information is to
4 be discussed, shall be open to the public. Any open meet-
5 ing shall be announced in the Federal Register and the
6 Federal Web site established by the Board at least 14 cal-
7 endar days in advance of a meeting. For all public meet-
8 ings, the Board shall release an agenda and a listing of
9 materials relevant to the topics to be discussed.

10 (b) QUORUM AND MEETINGS.—Five Board members
11 shall constitute a quorum for the purposes of conducting
12 business and 3 or more Board members shall constitute
13 a meeting of the Board.

14 (c) TRANSPARENCY OF INFORMATION.—All the pro-
15 ceedings, information, and deliberations of the Board shall
16 be open, upon request, to the Chairperson and ranking
17 minority party member, and their respective subcommittee
18 Chairperson and subcommittee ranking minority party
19 member, of—

20 (1) the Committee on Transportation and In-
21 frastructure of the House of Representatives;

22 (2) the Committee on Oversight and Govern-
23 ment Reform of the House of Representatives;

24 (3) the Committee on Homeland Security and
25 Governmental Affairs of the Senate;

1 (4) the Committee on Environment and Public
2 Works of the Senate; and

3 (5) the Committees on Appropriations of the
4 House of Representatives and the Senate.

5 (d) GOVERNMENT ACCOUNTABILITY OFFICE.—All
6 proceedings, information, and deliberations of the Board
7 shall be open, upon request, to the Comptroller General
8 of the United States.

9 **SEC. 6. COMPENSATION AND TRAVEL EXPENSES.**

10 (a) COMPENSATION.—

11 (1) RATE OF PAY FOR MEMBERS.—Each mem-
12 ber, other than the Chairperson, shall be paid at a
13 rate equal to the daily equivalent of the minimum
14 annual rate of basic pay payable for level IV of the
15 Executive Schedule under section 5315 of title 5,
16 United States Code, for each day (including travel
17 time) during which the member is engaged in the ac-
18 tual performance of duties vested in the Board.

19 (2) RATE OF PAY FOR CHAIRPERSON.—The
20 Chairperson shall be paid for each day referred to
21 in paragraph (1) at a rate equal to the daily equiva-
22 lent of the minimum annual rate of basic pay pay-
23 able for level III of the Executive Schedule under
24 section 5314 of title 5, United States Code.

1 (b) TRAVEL.—Members shall receive travel expenses,
2 including per diem in lieu of subsistence, in accordance
3 with sections 5702 and 5703 of title 5, United States
4 Code.

5 **SEC. 7. EXECUTIVE DIRECTOR.**

6 (a) APPOINTMENT.—The Board shall appoint an Ex-
7 ecutive Director, who may be appointed without regard to
8 the provisions of title 5, United States Code, governing
9 appointments in the competitive service.

10 (b) RATE OF PAY.—The Executive Director shall be
11 paid at the rate of basic pay payable for level IV of the
12 Executive Schedule under section 5315 of title 5, United
13 States Code.

14 **SEC. 8. STAFF.**

15 (a) ADDITIONAL PERSONNEL.—Subject to subsection
16 (b), the Executive Director may request additional per-
17 sonnel detailed from Federal agencies.

18 (b) REQUESTS FOR DETAIL EMPLOYEES.—Upon re-
19 quest of the Chairperson and approval of the Director of
20 OMB, the head of any Federal agency shall detail the re-
21 quested personnel of that agency to the Board to assist
22 the Board in carrying out its duties under this Act.

23 (c) QUALIFICATIONS.—Appointments shall be made
24 with consideration of a balance of expertise consistent with

1 the qualifications of representatives described in section
2 4(c)(5).

3 **SEC. 9. CONTRACTING AUTHORITY.**

4 (a) EXPERTS AND CONSULTANTS.—The Board, to
5 the extent practicable and subject to appropriations Acts,
6 shall use contracts, including nonappropriated contracts,
7 entered into by the Administrator for services necessary
8 to carry out the duties of the Board.

9 (b) OFFICE SPACE.—The Administrator, in consulta-
10 tion with the Board, shall identify and provide, without
11 charge, suitable office space within the existing Federal
12 space inventory to house the operations of the Board.

13 (c) PERSONAL PROPERTY.—The Board shall use per-
14 sonal property already in the custody and control of the
15 Administrator.

16 **SEC. 10. TERMINATION.**

17 The Board shall cease operations and terminate 6
18 years after the date of enactment of this Act.

19 **SEC. 11. DEVELOPMENT OF RECOMMENDATIONS TO**
20 **BOARD.**

21 (a) SUBMISSIONS OF AGENCY INFORMATION AND
22 RECOMMENDATIONS.—Not later than 120 days after the
23 date of enactment of this Act, and not later than 120 days
24 after the first day of each fiscal year thereafter until the
25 termination of the Board, the head of each Federal agency

1 shall submit to the Administrator and the Director of
2 OMB the following:

3 (1) CURRENT DATA.—Current data of all Fed-
4 eral civilian real properties owned, leased, or con-
5 trolled by the agency, including all relevant informa-
6 tion prescribed by the Administrator and the Direc-
7 tor of OMB, including data related to the age and
8 condition of the property, operating costs, history of
9 capital expenditures, sustainability metrics, number
10 of Federal employees and functions housed in the re-
11 spective property, and square footage (including
12 gross, rentable, and usable).

13 (2) AGENCY RECOMMENDATIONS.—Rec-
14 ommendations of the agency on the following:

15 (A) Federal civilian real properties that
16 can be sold for proceeds or otherwise disposed
17 of, reported as excess, declared surplus,
18 outleased, or otherwise no longer meeting the
19 needs of the agency, excluding leasebacks or
20 other such exchange agreements where the
21 property continues to be used by the agency.

22 (B) Federal civilian real properties that
23 can be transferred, exchanged, consolidated, co-
24 located, reconfigured, or redeveloped, so as to
25 reduce the civilian real property inventory, re-

1 duce the operating costs of the Government,
 2 and create the highest value and return for the
 3 taxpayer.

4 (C) Operational efficiencies that the Gov-
 5 ernment can realize in its operation and main-
 6 tenance of Federal civilian real properties.

7 (b) STANDARDS AND CRITERIA.—

8 (1) DEVELOPMENT OF STANDARDS AND CRI-
 9 TERIA.—Not later than 60 days after the deadline
 10 for submissions of agency recommendations under
 11 subsection (a), the Director of OMB, in consultation
 12 with the Administrator, shall—

13 (A) review the agency recommendations;

14 (B) develop consistent standards and cri-
 15 teria against which the agency recommenda-
 16 tions will be reviewed; and

17 (C) submit to the Board the recommenda-
 18 tions developed pursuant to paragraph (2).

19 (2) RECOMMENDATIONS TO BOARD.—The Di-
 20 rector of OMB and the Administrator shall jointly
 21 develop recommendations to the Board based on the
 22 standards and criteria developed under paragraph
 23 (1).

24 (3) FACTORS.—In developing the standards and
 25 criteria under paragraph (1), the Director of OMB,

1 in consultation with the Administrator, shall incor-
2 porate the following factors:

3 (A) The extent to which the civilian real
4 property could be sold (including property that
5 is no longer meeting the needs of the Govern-
6 ment), redeveloped, outleased, or otherwise used
7 to produce the highest and best value and re-
8 turn for the taxpayer.

9 (B) The extent to which the operating and
10 maintenance costs are reduced through consoli-
11 dating, co-locating, and reconfiguring space,
12 and through realizing other operational effi-
13 ciencies.

14 (C) The extent to which the utilization rate
15 is being maximized and is consistent with non-
16 governmental industry standards for the given
17 function or operation.

18 (D) The extent and timing of potential
19 costs and savings, including the number of
20 years, beginning with the date of completion of
21 the proposed recommendation.

22 (E) The extent to which reliance on leasing
23 for long-term space needs is reduced.

1 (F) The extent to which a civilian real
 2 property aligns with the current mission of the
 3 Federal agency.

4 (G) The extent to which there are opportu-
 5 nities to consolidate similar operations across
 6 multiple agencies or within agencies.

7 (H) The economic impact on existing com-
 8 munities in the vicinity of the civilian real prop-
 9 erty.

10 (I) The extent to which energy consump-
 11 tion is reduced.

12 (c) SPECIAL RULE FOR UTILIZATION RATES.—
 13 Standards developed by the Director of OMB pursuant to
 14 subsection (b) shall incorporate and apply clear standard
 15 utilization rates consistent throughout each category of
 16 space and with nongovernment space utilization rates. To
 17 the extent the space utilization rate of a given agency ex-
 18 ceeds the utilization rates to be applied under this sub-
 19 section, the Director of OMB may recommend realign-
 20 ment, co-location, consolidation, or other type of action to
 21 improve space utilization.

22 (d) SUBMISSION TO BOARD.—

23 (1) IN GENERAL.—The Director of OMB shall
 24 submit the standards, criteria, and recommendations
 25 developed pursuant to subsection (b) to the Board

1 with all supporting information, data, analyses, and
2 documentation.

3 (2) PUBLICATION.—The standards, criteria,
4 and recommendations developed pursuant to sub-
5 section (b) shall be published in the Federal Register
6 and transmitted to the committees listed in section
7 5(c) and to the Comptroller General of the United
8 States.

9 (3) ACCESS TO INFORMATION.—The Board
10 shall also have access to all information pertaining
11 to the recommendations developed pursuant to sub-
12 section (b), including supporting information, data,
13 analyses, and documentation submitted pursuant to
14 subsection (a). Upon request, a Federal agency shall
15 provide to the Board any additional information per-
16 taining to the civilian real properties under the cus-
17 tody, control, or administrative jurisdiction of the
18 Federal agency.

19 **SEC. 12. BOARD DUTIES.**

20 (a) IDENTIFICATION OF PROPERTY REDUCTION OP-
21 PORTUNITIES.—The Board shall identify opportunities for
22 the Government to reduce significantly its inventory of ci-
23 vilian real property and reduce costs to the Government.

24 (b) IDENTIFICATION OF HIGH VALUE ASSETS.—

1 (1) IDENTIFICATION OF CERTAIN PROP-
2 ERTIES.—Not later than 180 days after Board
3 members are appointed pursuant to section 4, the
4 Board shall—

5 (A) identify not fewer than 5 Federal civil-
6 ian real properties that are not on the list of
7 surplus or excess as of such date with a total
8 fair market value of not less than \$500,000,000
9 and not more than \$750,000,000; and

10 (B) transmit the list of the Federal civilian
11 real properties to the Director of OMB and
12 Congress as Board recommendations and sub-
13 ject to the approval process described in section
14 13.

15 (2) INFORMATION AND DATA.—In order to
16 meet the goal established under paragraph (1), each
17 Federal agency shall provide, upon request, any and
18 all information and data regarding its civilian real
19 properties to the Board. The Board shall notify the
20 committees listed in section 5(c) of any failure by an
21 agency to comply with a request of the Board.

22 (3) FACTORS.—In identifying properties pursu-
23 ant to paragraph (1), the Board shall consider the
24 factors listed in section 11(b)(3).

1 (4) LEASEBACK RESTRICTIONS.—None of the
2 existing improvements on properties sold under this
3 subsection may be leased back to the Government.

4 (5) REPORT OF EXCESS.—Not later than 60
5 days after the approval of Board recommendations
6 pursuant to paragraph (1), Federal agencies with
7 custody, control, or administrative jurisdiction over
8 the identified properties shall submit a Report of
9 Excess to the General Services Administration.

10 (6) SALE.—

11 (A) INITIATION OF SALE.—Not later than
12 120 days after the acceptance by the Adminis-
13 trator of the Report of Excess and notwith-
14 standing any other provision of law (including
15 section 501 of the McKinney-Vento Homeless
16 Assistance Act (42 U.S.C. 11411), but except
17 as provided in section 14(g)), the General Serv-
18 ices Administration shall initiate the sale of the
19 civilian real properties described in paragraph
20 (1).

21 (B) COMPLETION OF SALE.—Not later
22 than 1 year after the acceptance of the Report
23 of Excess, the Administrator shall sell the civil-
24 ian real properties at fair market value at high-
25 est and best use.

1 (c) ANALYSIS OF INVENTORY.—The Board shall per-
2 form an independent analysis of the inventory of Federal
3 civilian real property and the recommendations submitted
4 pursuant to section 11. The Board shall not be bound or
5 limited by the recommendations submitted pursuant to
6 section 11. If, in the opinion of the Board, an agency fails
7 to provide needed information, data, or adequate rec-
8 ommendations that meet the standards and criteria, the
9 Board shall develop such recommendations as the Board
10 considers appropriate based on existing data contained in
11 the Federal Real Property Profile or other relevant infor-
12 mation.

13 (d) INFORMATION AND PROPOSALS.—

14 (1) RECEIPT.—Notwithstanding any other pro-
15 vision of law, the Board may receive and consider
16 proposals, information, and other data submitted by
17 State and local officials and the private sector.

18 (2) CONSULTATION.—The Board shall consult
19 with State and local officials on information, pro-
20 posals, and other data that the officials submit to
21 the Board.

22 (3) AVAILABILITY.—Information submitted to
23 the Board shall be made publically available.

24 (e) ACCOUNTING SYSTEM.—Not later than 120 days
25 after the date of enactment of this Act, the Board shall

1 identify or develop and implement a system of accounting
2 to be used to independently evaluate the costs of and re-
3 turns on the recommendations. Such accounting system
4 shall be applied in developing the Board's recommenda-
5 tions and determining the highest return to the taxpayer.
6 In applying the accounting system, the Board shall set a
7 standard performance period.

8 (f) PUBLIC HEARING.—The Board shall conduct
9 public hearings. All testimony before the Board at a public
10 hearing under this subsection shall be presented under
11 oath.

12 (g) REPORTING OF INFORMATION AND REC-
13 OMMENDATIONS.—

14 (1) IN GENERAL.—Subject to the schedule and
15 limitations specified in paragraph (2), the Board
16 shall transmit to the Director of OMB, and publicly
17 post on a Federal Web site maintained by the
18 Board, reports containing the Board's findings, con-
19 clusions, and recommendations for—

20 (A) the consolidation, exchange, co-locat-
21 ion, reconfiguration, lease reductions, sale,
22 outlease, and redevelopment of Federal civilian
23 real properties; and

1 (B) other operational efficiencies that can
2 be realized in the Government's operation and
3 maintenance of such properties.

4 (2) SCHEDULE AND LIMITATIONS.—

5 (A) FIRST ROUND.—Not later than 2
6 years after the date of transmittal of the list of
7 properties recommended pursuant to subsection
8 (b), the Board shall transmit to the Director of
9 OMB the first report required under paragraph
10 (1). The total value of transactions contained in
11 the first report may not exceed \$2,500,000,000.

12 (B) SECOND ROUND.—Not earlier than 3
13 years after the date of transmittal of the first
14 report, the Board shall transmit to the Director
15 of OMB the second report required under para-
16 graph (1). The total value of transactions con-
17 tained in the second report may not exceed
18 \$4,750,000,000.

19 (3) CONSENSUS IN MAJORITY.—The Board
20 shall seek to develop consensus recommendations,
21 but if a consensus cannot be obtained, the Board
22 may include in the reports required under this sub-
23 section recommendations that are supported by a
24 majority of the Board.

1 (h) FEDERAL WEB SITE.—The Board shall establish
2 and maintain a Federal Web site for the purposes of mak-
3 ing relevant information publically available.

4 (i) REVIEW BY GAO.—The Comptroller General of
5 the United States shall transmit to Congress and the
6 Board a report containing a detailed analysis of the rec-
7 ommendations and selection process.

8 **SEC. 13. REVIEW BY OMB.**

9 (a) REVIEW OF RECOMMENDATIONS.—Upon receipt
10 of the Board's recommendations pursuant to subsections
11 (b) and (g) of section 12, the Director of OMB shall con-
12 duct a review of the recommendations.

13 (b) REPORT TO BOARD AND CONGRESS.—Not later
14 than 30 days after the receipt of the Board's recommenda-
15 tions, the Director of OMB shall transmit to the Board
16 and Congress a report that sets forth the Director of
17 OMB's approval or disapproval of the Board's rec-
18 ommendations.

19 (c) APPROVAL AND DISAPPROVAL.—

20 (1) APPROVAL.—If the Director of OMB ap-
21 proves the Board's recommendations, the Director of
22 OMB shall transmit a copy of the recommendations
23 to Congress, together with a certification of such ap-
24 proval.

1 (2) DISAPPROVAL.—If the Director of OMB
2 disapproves the Board’s recommendations, in whole
3 or in part, the Director of OMB shall transmit a
4 copy of the recommendations to Congress and the
5 reasons for disapproval of the recommendations to
6 the Board and Congress.

7 (3) REVISED RECOMMENDATIONS.—Not later
8 than 30 days after the receipt of reasons for dis-
9 approval under paragraph (2), the Board shall
10 transmit to the Director of OMB revised rec-
11 ommendations for approval.

12 (4) APPROVAL OF REVISED RECOMMENDA-
13 TIONS.—If the Director of OMB approves the re-
14 vised recommendations received under paragraph
15 (3), the Director of OMB shall transmit a copy of
16 the revised recommendations to Congress, together
17 with a certification of such approval.

18 (d) TERMINATION OF PROCESS FOR GIVEN
19 ROUND.—If the Director of OMB does not transmit to
20 Congress an approval and certification described in para-
21 graph (1) or (4) of subsection (c) on or before the 30th
22 day following the receipt of the Board’s recommendations
23 or revised recommendations, as the case may be, the proc-
24 ess shall terminate until the following round, as described
25 in section 12.

1 **SEC. 14. IMPLEMENTATION OF BOARD RECOMMENDA-**
 2 **TIONS.**

3 (a) DEADLINES.—

4 (1) PREPARATION.—Federal agencies shall—

5 (A) not later than 60 days after the Direc-
 6 tor of OMB transmits the Board's rec-
 7 ommendations to Congress pursuant to para-
 8 graph (1) or (4) of section 13(c), immediately
 9 begin preparations to carry out the Board's rec-
 10 ommendations; and

11 (B) not later than 2 years after such
 12 transmittal, initiate all activities necessary to
 13 carry out the Board's recommendations.

14 (2) COMPLETION.—Not later than 6 years after
 15 the Director of OMB transmits the Board's rec-
 16 ommendations to Congress pursuant to paragraph
 17 (1) or (4) of section 13(c), Federal agencies shall
 18 complete all recommended actions. All actions shall
 19 be economically beneficial and be cost neutral or oth-
 20 erwise favorable to the Government.

21 (3) EXTENUATING CIRCUMSTANCES.—For ac-
 22 tions that will take longer than the 6-year period de-
 23 scribed in paragraph (2) due to extenuating cir-
 24 cumstances, Federal agencies shall notify the Direc-
 25 tor of OMB and Congress, as soon as the extenu-

1 ating circumstance presents itself, with an estimated
2 time to complete the relevant action.

3 (b) ACTIONS OF FEDERAL AGENCIES RELATED TO
4 CIVILIAN REAL PROPERTIES.—In taking actions related
5 to any civilian real property under this Act, Federal agen-
6 cies may take, pursuant to subsection (c), all such nec-
7 essary and proper actions, including—

8 (1) acquiring land, constructing replacement fa-
9 cilities, performing such other activities, and con-
10 ducting advance planning and design as may be re-
11 quired to transfer functions from a Federal asset or
12 property to another Federal civilian property;

13 (2) reimbursing other Federal agencies for ac-
14 tions performed at the request of the Board; and

15 (3) taking such actions as are practicable to
16 maximize the value of Federal civilian real property
17 to be sold by clarifying zoning and other limitations
18 on use of such property.

19 (c) ACTIONS OF FEDERAL AGENCIES TO IMPLEMENT
20 BOARD RECOMMENDATIONS.—

21 (1) USE OF EXISTING LEGAL AUTHORITIES.—

22 (A) IN GENERAL.—Except as provided in
23 paragraph (2), when acting on a recommenda-
24 tion of the Board, a Federal agency shall—

1 (i) in consultation with the Adminis-
2 trator, continue to act within the Federal
3 agency's existing legal authorities, includ-
4 ing legal authorities delegated to the Fed-
5 eral agency by the Administrator; or

6 (ii) work in partnership with the Ad-
7 ministrator to carry out such actions.

8 (B) NECESSARY AND PROPER ACTIONS.—

9 The Administrator may take such necessary
10 and proper actions, including the sale, convey-
11 ance, or exchange of civilian real property, as
12 required to implement the Board's rec-
13 ommendations in the time period required
14 under subsection (a).

15 (2) EXPERTS.—A Federal agency may enter
16 into no cost, nonappropriated contracts for expert
17 commercial real estate services to carry out the Fed-
18 eral agency's responsibilities pursuant to the rec-
19 ommendations.

20 (d) DISCRETION OF ADMINISTRATOR REGARDING
21 TRANSACTIONS.—For any transaction identified, rec-
22 ommended, or commenced as a result of this Act, any oth-
23 erwise required legal priority given to, or requirement to
24 enter into, a transaction to convey a Federal civilian real
25 property for less than fair market value, for no consider-

1 ation at all, or in a transaction that mandates the exclu-
2 sion of other market participants, shall be at the discretion
3 of the Administrator.

4 (e) RELATIONSHIP TO OTHER LAWS.—Any rec-
5 ommendation or commencement of a sale, disposal, con-
6 solidation, reconfiguration, co-location, or realignment of
7 civilian real property under this Act shall not be subject
8 to—

9 (1) section 545(b)(8) of title 40, United States
10 Code;

11 (2) sections 550, 553, and 554 of title 40,
12 United States Code;

13 (3) any section of the Act entitled “An Act Au-
14 thorizing the transfer of certain real property for
15 wildlife, or other purposes” (16 U.S.C. 667b);

16 (4) section 47151 of title 49, United States
17 Code;

18 (5) sections 107 and 317 of title 23, United
19 States Code;

20 (6) section 1304(b) of title 40, United States
21 Code;

22 (7) section 13(d) of the Surplus Property Act
23 of 1944 (50 U.S.C. App. 1622(d));

1 (8) any other provision of law authorizing the
2 conveyance of real property owned by the Govern-
3 ment for no consideration; and

4 (9) any congressional notification requirement
5 other than that in section 545 of title 40, United
6 States Code.

7 (f) PUBLIC BENEFIT.—

8 (1) SUBMISSION OF INFORMATION TO HUD.—

9 The Director of OMB shall submit to the Secretary
10 of HUD, on the same day the Director of OMB sub-
11 mits the Board's recommendations to Congress pur-
12 suant to paragraphs (1) and (4) of section 13(e), all
13 known information on Federal civilian real prop-
14 erties that are included in the recommendations (ex-
15 cept those recommended under section 12(b)).

16 (2) HUD TO REPORT TO BOARD.—Not later
17 than 30 days after the submission of information on
18 Federal properties under paragraph (1), the Sec-
19 retary shall identify any suitable civilian real prop-
20 erties for use as a property benefitting the mission
21 of assistance to the homeless for the purposes of fur-
22 ther screening pursuant to section 501 of the
23 McKinney-Vento Homeless Assistance Act (42
24 U.S.C. 11411).

1 (3) ADDITIONAL AUTHORITY.—Following the
 2 review under paragraph (2), with respect to a civil-
 3 ian real property that is not identified by the Sec-
 4 retary as suitable for use as a property benefitting
 5 the mission of assistance to the homeless and that
 6 has been recommended for sale by the Board, the
 7 Director of OMB may exclude the property from the
 8 Board's recommendations if the Director determines
 9 that the property is suitable for use as a public park
 10 or recreation area by a State or local government
 11 and it is in the best interest of taxpayers.

12 (g) ENVIRONMENTAL CONSIDERATIONS.—

13 (1) TRANSFERS OF REAL PROPERTY.—

14 (A) IN GENERAL.—When implementing the
 15 recommended actions for civilian real properties
 16 that have been identified in the Board's report,
 17 as specified in section 12(g), and subject to
 18 paragraph (2) and in compliance with
 19 CERCLA, including section 120(h) of CERCLA
 20 (42 U.S.C. 9620(h)), Federal agencies may
 21 enter into an agreement to transfer by deed,
 22 pursuant to section 120(h)(3) of that Act (42
 23 U.S.C. 9620(h)(3)), civilian real property with
 24 any person.

1 (B) ADDITIONAL TERMS AND CONDI-
2 TIONS.—The head of the disposing agency may
3 require any additional terms and conditions in
4 connection with an agreement authorized by
5 subparagraph (A) as the head of the disposing
6 agency considers appropriate to protect the in-
7 terests of the United States. Such additional
8 terms and conditions shall not affect or dimin-
9 ish any rights or obligations of the Federal
10 agencies under section 120(h) of CERCLA (in-
11 cluding, without limitation, the requirements of
12 subsections (h)(3)(A) and (h)(3)(C)(iv) of that
13 section).

14 (2) CERTIFICATION CONCERNING COSTS.—A
15 transfer of Federal civilian real property may be
16 made under paragraph (1) only if the head of the
17 disposing agency certifies to the Board and Congress
18 that—

19 (A) the costs of all environmental restora-
20 tion, waste management, and environmental
21 compliance activities otherwise to be paid by the
22 disposing agency with respect to the property
23 are equal to or greater than the fair market
24 value of the property to be transferred, as de-

1 terminated by the head of the disposing agency;
2 or

3 (B) if such costs are lower than the fair
4 market value of the property, the recipient of
5 the property agrees to pay the difference be-
6 tween the fair market value and such costs.

7 (3) PAYMENTS TO RECIPIENTS.—In the case of
8 a civilian real property covered by a certification
9 under paragraph (2)(A), the disposing agency may
10 pay the recipient of such property an amount equal
11 to the lesser of—

12 (A) the amount by which the costs in-
13 curred by the recipient of such property for all
14 environmental restoration, waste management,
15 and environmental compliance activities with re-
16 spect to such property exceed the fair market
17 value of such property as specified in such cer-
18 tification; or

19 (B) the amount by which the costs (as de-
20 termined by the head of the disposing agency)
21 that would otherwise have been incurred by the
22 Secretary for such restoration, waste manage-
23 ment, and environmental compliance activities
24 with respect to such property exceed the fair
25 market value of such property as so specified.

1 (4) INFORMATION TO BE PROVIDED TO RECIPI-
2 ENTS.—As part of an agreement under paragraph
3 (1), the head of the disposing agency shall disclose,
4 in accordance with applicable law, to the person to
5 whom the civilian real property will be transferred
6 information possessed by the disposing agency re-
7 garding the environmental restoration, waste man-
8 agement, and environmental compliance activities
9 that relate to the property. The head of the dis-
10 posing agency shall provide such information before
11 entering into the agreement.

12 (5) CONSIDERATION OF ENVIRONMENTAL RE-
13 MEDIATION IN GRANTING TIME EXTENSIONS.—For
14 the purposes of granting time extensions under sub-
15 section (a), the Director of OMB shall give the need
16 for significant environmental remediation to a civil-
17 ian real property more weight than any other factor
18 in determining whether to grant an extension to im-
19 plement a Board recommendation.

20 (6) LIMITATION ON STATUTORY CONSTRUC-
21 TION.—Nothing in this Act may be construed to
22 modify, alter, or amend CERCLA, the National En-
23 vironmental Policy Act of 1969, or the Solid Waste
24 Disposal Act (42 U.S.C. 6901 et seq.).

1 **SEC. 15. AUTHORIZATION OF APPROPRIATIONS.**

2 There is authorized to be appropriated to carry out
3 this Act an initial appropriation of—

4 (1) \$2,000,000 for salaries and expenses of the
5 Board; and

6 (2) \$40,000,000 to be deposited into the Asset
7 Proceeds and Space Management Fund for activities
8 related to the implementation of the Board's rec-
9 ommendations.

10 **SEC. 16. FUNDING.**

11 (a) SALARIES AND EXPENSES ACCOUNT.—

12 (1) ESTABLISHMENT.—There is established in
13 the Treasury of the United States an account to be
14 known as the “Public Buildings Reform Board Sala-
15 ries and Expenses Account” (in this subsection re-
16 ferred to as the “Account”).

17 (2) NECESSARY PAYMENTS.—There shall be de-
18 posited into the Account such amounts, as are pro-
19 vided in appropriations Acts, for those necessary
20 payments for salaries and expenses to accomplish
21 the administrative needs of the Board.

22 (b) ASSET PROCEEDS AND SPACE MANAGEMENT
23 FUND.—

24 (1) ESTABLISHMENT.—There is established
25 within the Federal Buildings Fund established under
26 section 592 of title 40, United States Code, an ac-

1 count to be known as the Public Buildings Reform
2 Board—Asset Proceeds and Space Management
3 Fund (in this subsection referred to as the “Fund”).

4 (2) USE OF AMOUNTS.—Amounts in the Fund
5 shall be used solely for the purposes of carrying out
6 actions pursuant to the Board recommendations ap-
7 proved under section 13.

8 (3) DEPOSITS.—The following amounts shall be
9 deposited into the Fund and made available for obli-
10 gation or expenditure only as provided in advance in
11 appropriations Acts (subject to section 3307 of title
12 40, United States Code, to the extent an appropria-
13 tion normally covered by that section exceeds
14 \$20,000,000) for the purposes specified:

15 (A) Such amounts as are provided in ap-
16 propriations Acts, to remain available until ex-
17 pended, for the consolidation, co-location, ex-
18 change, redevelopment, reconfiguration of
19 space, disposal, and other actions recommended
20 by the Board for Federal agencies.

21 (B) Amounts received from the sale of any
22 civilian real property action taken pursuant to
23 a recommendation of the Board.

24 (4) USE OF AMOUNTS TO COVER COSTS.—As
25 provided in appropriations Acts, amounts in the

1 Fund may be made available to cover necessary
2 costs associated with implementing the recommenda-
3 tions pursuant to section 14, including costs associ-
4 ated with—

5 (A) sales transactions;

6 (B) acquiring land, construction, con-
7 structing replacement facilities, and conducting
8 advance planning and design as may be re-
9 quired to transfer functions from a Federal
10 asset or property to another Federal civilian
11 property;

12 (C) co-location, redevelopment, disposal,
13 and reconfiguration of space; and

14 (D) other actions recommended by the
15 Board for Federal agencies.

16 (c) ADDITIONAL REQUIREMENT FOR BUDGET CON-
17 TENTS.—The President shall transmit along with the
18 President's budget submitted pursuant to section 1105 of
19 title 31, United States Code, an estimate of proceeds that
20 are the result of the Board's recommendations and the
21 obligations and expenditures needed to support such rec-
22 ommendations.

1 **SEC. 17. CONGRESSIONAL APPROVAL OF PROPOSED**
2 **PROJECTS.**

3 Section 3307(b) of title 40, United States Code, is
4 amended—

5 (1) by striking “and” at the end of paragraph
6 (6);

7 (2) by striking the period at the end of para-
8 graph (7) and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(8) a statement of how the proposed project is
11 consistent with the standards and criteria developed
12 under section 11(b) of the Federal Assets Sale and
13 Transfer Act of 2016.”.

14 **SEC. 18. PRECLUSION OF JUDICIAL REVIEW.**

15 The following actions shall not be subject to judicial
16 review:

17 (1) Actions taken pursuant to sections 12 and
18 13.

19 (2) Actions of the Board.

20 **SEC. 19. IMPLEMENTATION REVIEW BY GAO.**

21 Upon transmittal of the Board’s recommendations
22 from the Director of OMB to Congress under section 13,
23 the Comptroller General of the United States at least an-
24 nually shall monitor and review the implementation activi-
25 ties of Federal agencies pursuant to section 14, and report
26 to Congress any findings and recommendations.

1 **SEC. 20. AGENCY RETENTION OF PROCEEDS.**

2 (a) IN GENERAL.—Section 571 of title 40, United
3 States Code, is amended by striking subsections (a) and
4 (b) and inserting the following:

5 “(a) PROCEEDS FROM TRANSFER OR SALE OF REAL
6 PROPERTY.—

7 “(1) DEPOSIT OF NET PROCEEDS.—Net pro-
8 ceeds described in subsection (c) shall be deposited
9 into the appropriate real property account of the
10 agency that had custody and accountability for the
11 real property at the time the real property is deter-
12 mined to be excess.

13 “(2) EXPENDITURE OF NET PROCEEDS.—The
14 net proceeds deposited pursuant to paragraph (1)
15 may only be expended, as authorized in annual ap-
16 propriations Acts, for activities described in sections
17 543 and 545, including paying costs incurred by the
18 General Services Administration for any disposal-re-
19 lated activity authorized by this chapter.

20 “(3) DEFICIT REDUCTION.—Any net proceeds
21 described in subsection (c) from the sale, lease, or
22 other disposition of surplus real property that are
23 not expended under paragraph (2) shall be used for
24 deficit reduction.

25 “(b) EFFECT ON OTHER SECTIONS.—Nothing in this
26 section is intended to affect section 572(b), 573, or 574.

1 “(c) NET PROCEEDS.—The net proceeds described in
2 this subsection are proceeds under this chapter, less ex-
3 penses of the transfer or disposition as provided in section
4 572(a), from a—

5 “(1) transfer of excess real property to a Fed-
6 eral agency for agency use; or

7 “(2) sale, lease, or other disposition of surplus
8 real property.

9 “(d) PROCEEDS FROM TRANSFER OR SALE OF PER-
10 SONAL PROPERTY.—

11 “(1) IN GENERAL.—Except as otherwise pro-
12 vided in this subchapter, proceeds described in para-
13 graph (2) shall be deposited in the Treasury as mis-
14 cellaneous receipts.

15 “(2) PROCEEDS.—The proceeds described in
16 this paragraph are proceeds under this chapter
17 from—

18 “(A) a transfer of excess personal property
19 to a Federal agency for agency use; or

20 “(B) a sale, lease, or other disposition of
21 surplus personal property.

22 “(3) PAYMENT OF EXPENSES OF SALE BEFORE
23 DEPOSIT.—Subject to regulations under this sub-
24 title, the expenses of the sale of personal property
25 may be paid from the proceeds of sale so that only

1 the net proceeds are deposited in the Treasury. This
2 paragraph applies whether proceeds are deposited as
3 miscellaneous receipts or to the credit of an appro-
4 priation as authorized by law.”.

5 (b) EFFECTIVE DATE.—The provisions of this sec-
6 tion, including the amendments made by this section, shall
7 take effect upon the termination of the Board pursuant
8 to section 10 and shall not apply to proceeds from trans-
9 actions conducted under section 14.

10 **SEC. 21. FEDERAL REAL PROPERTY DATABASE.**

11 (a) DATABASE REQUIRED.—Not later than 1 year
12 after the date of enactment of this section, the Adminis-
13 trator of General Services shall publish a single, com-
14 prehensive, and descriptive database of all Federal real
15 property under the custody and control of all executive
16 agencies, other than Federal real property excluded for
17 reasons of national security, in accordance with subsection
18 (b).

19 (b) REQUIRED INFORMATION FOR DATABASE.—The
20 Administrator shall collect from the head of each executive
21 agency descriptive information, except for classified infor-
22 mation, of the nature, use, and extent of the Federal real
23 property of each such agency, including the following:

1 (1) The geographic location of each Federal
2 real property of each such agency, including the ad-
3 dress and description for each such property.

4 (2) The total size of each Federal real property
5 of each such agency, including square footage and
6 acreage of each such property.

7 (3) The relevance of each Federal real property
8 to the agency's mission.

9 (4) The level of use of each Federal real prop-
10 erty for each such agency, including whether such
11 property is excess, surplus, underutilized, or unuti-
12 lized.

13 (5) The number of days each Federal real prop-
14 erty is designated as excess, surplus, underutilized,
15 or unutilized.

16 (6) The annual operating costs of each Federal
17 real property.

18 (7) The replacement value of each Federal real
19 property.

20 (c) ACCESS TO DATABASE.—

21 (1) FEDERAL AGENCIES.—The Administrator,
22 in consultation with the Director of OMB, shall
23 make the database established and maintained under
24 this section available to other Federal agencies.

1 (2) PUBLIC ACCESS.—To the extent consistent
 2 with national security and procurement laws, the
 3 database shall be accessible by the public at no cost
 4 through the Web site of the General Services Admin-
 5 istration.

6 (d) TRANSPARENCY OF DATABASE.—To the extent
 7 practicable, the Administrator shall ensure that the data-
 8 base—

9 (1) uses an open, machine-readable format;

10 (2) permits users to search and sort Federal
 11 real property data; and

12 (3) includes a means to download a large
 13 amount of Federal real property data and a selection
 14 of such data retrieved using a search.

15 (e) APPLICABILITY.—Nothing in this section may be
 16 construed to require an agency to make available to the
 17 public information that is exempt from disclosure pursu-
 18 ant to section 552(b) of title 5, United States Code.

19 **SEC. 22. STREAMLINING MCKINNEY-VENTO HOMELESS AS-**
 20 **SISTANCE ACT.**

21 Section 501 of the McKinney-Vento Homeless Assist-
 22 ance Act (42 U.S.C. 11411) is amended—

23 (1) in subsection (b)(2)—

24 (A) by striking “(2)(A)” and inserting

25 “(2)”;

1 (B) by redesignating clauses (i) and (ii) as
 2 subparagraphs (A) and (B), respectively;

3 (C) in subparagraph (A) (as so redesign-
 4 dated) by striking “and” at the end;

5 (D) in subparagraph (B) (as so redesign-
 6 dated) by striking the period at the end and in-
 7 serting “; and”; and

8 (E) by adding at the end the following:

9 “(C) in the case of surplus property, the
 10 provision of permanent housing with or without
 11 supportive services is an eligible use to assist
 12 the homeless under this section.”;

13 (2) in subsection (c)(1)(A) by striking “in the
 14 Federal Register” and inserting “on the Web site of
 15 the Department of Housing and Urban Development
 16 or the General Services Administration”;

17 (3) in subsection (d)—

18 (A) in paragraph (1) by striking “period of
 19 60 days” and inserting “period of 30 days”;

20 (B) in paragraphs (2) and (4) by striking
 21 “60-day period” and inserting “30-day period”;
 22 and

23 (C) in paragraph (3) by adding at the end
 24 the following: “If no such review of the deter-
 25 mination is requested within the 20-day period,

1 such property will not be included in subsequent
 2 publications unless the landholding agency
 3 makes changes to the property (e.g. improve-
 4 ments) that may change the unsuitable deter-
 5 mination and the Secretary subsequently deter-
 6 mines the property is suitable.”;
 7 (4) in subsection (c)—
 8 (A) in paragraph (2)—
 9 (i) by striking “(2)” and inserting
 10 “(2)(A)”;
 11 (ii) in subparagraph (A) (as so des-
 12 ignated)—
 13 (I) by striking “90 days” and in-
 14 serting “75 days”; and
 15 (II) by striking “a complete ap-
 16 plication” and inserting “an initial ap-
 17 plication”; and
 18 (iii) by adding at the end the fol-
 19 lowing:
 20 “(B) An initial application shall set forth—
 21 “(i) the services that will be offered;
 22 “(ii) the need for the services; and
 23 “(iii) the experience of the applicant that
 24 demonstrates the ability to provide the serv-
 25 ices.”;

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1 (B) in paragraph (3) by striking “25 days
2 after receipt of a completed application” and in-
3 serting “10 days after receipt of an initial ap-
4 plication”; and

5 (C) by adding at the end the following:

6 “(4) If the Secretary of Health and Human Services
7 approves an initial application, the applicant has 45 days
8 in which to provide a final application that sets forth a
9 reasonable plan to finance the approved program.

10 “(5) No later than 15 days after receipt of the final
11 application, the Secretary of Health and Human Services
12 shall review, make a final determination, and complete all
13 actions on the final application. The Secretary of Health
14 and Human Services shall maintain a public record of all
15 actions taken in response to an application.”; and

16 (5) in subsection (f)(1) by striking “available
17 by” and inserting “available, at the applicant’s dis-
18 cretion, by”.

19 **SEC. 23. ADDITIONAL PROPERTY.**

20 Section 549(c)(3)(B)(vii) of title 40, United States
21 Code, is amended to read as follows:

22 “(vii) a museum attended by the pub-
23 lic, and, for purposes of determining
24 whether a museum is attended by the pub-
25 lic, the Administrator shall consider a mu-

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1 seum to be public if the nonprofit edu-
2 cational or public health institution or or-
3 ganization, at minimum, accedes to any re-
4 quest submitted for access during business
5 hours;”.

